

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 8, 1932

A WELCOME - AN INVITATION
A SOLEMN PLEDGE

A Sculptor's Impression of
Camden as Seen from Philadelphia



THOSE insurance men who convene this month will visit the birthplace of American independence and American insurance. Camden Fire welcomes to Philadelphia every member of the National Association of Insurance Agents.

Visiting delegates will discover that "vacation" is a small part of their profit from this trip. They will discuss the latest developments in sound agency management, the most recent selling theories, the newest policies and their sales-possibilities. Camden cordially invites every interested agent to cross the Delaware bridge and to discuss these things more intimately with our executives.

Thoughtful agents will take this opportunity to personally investigate the staunchness of the companies they represent. Through conservative management and investment, the Camden Fire is able to quietly boast a capital and surplus based on present market values which is favorable under the flood light of any comparison. The company solemnly pledges itself to a continuation of reasonable conservatism and honest, fair, and helpful consideration of the agent's problems.

If every delegate leaves this 1932 convention with one new sales-idea and with absolute faith in the company he represents, the meetings will have been unusually successful.

CAMDEN FIRE INSURANCE ASSOCIATION
Camden, N. J.

When the National Association of Insurance Agents Was Formed the Camden Fire Was 55 Years Old

ALLEMANNIA FIRE
Insurance Company

Pittsburgh, Pa.

Incorporated 1868

WESTCHESTER FIRE
Insurance Company

of New York

Organized 1837

UNITED STATES FIRE
Insurance Company

of New York

Incorporated 1824

=

Statement based on Market Values of
March 31, 1932

Capital	\$ 2,000,000
Net Surplus	4,758,167
Liabilities	14,323,472
Assets	21,081,639

CRUM & FORSTER

MANAGERS

110 William St. New York City

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DEPARTMENT OFFICES

Western Dept. FREEPORT, ILL.	Southern Dept. ATLANTA, GA.
Pacific Dept. SAN FRANCISCO, CALIF.	Carolina Dept. DURHAM, N. C.
Allegheny Dept. PITTSBURGH, PA.	

NORTH RIVER
Insurance Company

of New York

Incorporated 1822

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Statement based on Market Values of
March 31, 1932

Capital	\$ 2,000,000
Net Surplus	3,684,396
Liabilities	9,826,967
Assets	15,511,363

BRITISH AMERICA

Assurance Company

Toronto, Canada

Incorporated 1833

WESTERN

Assurance Company

of Toronto, Canada

Incorporated 1851

RICHMOND

Insurance Company

of New York

Incorporated 1907

SOUTHERN FIRE

Insurance Company

of Durham, N. C.

Incorporated 1923

It's a question of CONFIDENCE



ONE of the most significant developments of the year is the study given the financial condition of insurance companies by insurance buyers. Cost has become secondary. Financial stability is now of first importance.

Far from regretting critical appraisal of their company, Aetna agents welcome it. For they know that the Aetna can bear the scrutiny of the wisest insurance buyers.

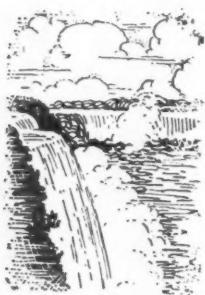


AETNA INSURANCE CO.
HARTFORD - CONNECTICUT

AMERICA FORE



"America Fore"



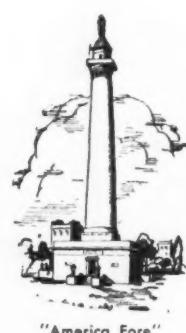
"America Fore"



"America Fore"



"America Fore"



"America Fore"



"AMERICA FORE"

AMERICA FORE

We'll See You In Philadelphia

And we want to help you have a pleasant and profitable time at the 37th Annual Convention of the National Association of Insurance Agents, September 20th to 23rd.

"America Fore" is publishing again its directory of delegates and guests to the convention. This directory will list names alphabetically with home addresses, hotel and room numbers of those present.

Our headquarters will be Suite 341, Hotel Benjamin Franklin. Come to see us.

THE CONTINENTAL INSURANCE COMPANY OF NEW YORK
FIDELITY-PHENIX FIRE INSURANCE COMPANY OF NEW YORK
NIAGARA FIRE INSURANCE COMPANY OF NEW YORK
AMERICAN EAGLE FIRE INSURANCE COMPANY OF NEW YORK
FIRST AMERICAN FIRE INSURANCE COMPANY OF NEW YORK
MARYLAND INSURANCE COMPANY OF DELAWARE

ERNEST STURM, Chairman of the Boards

BERNARD M. CULVER, President

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK

ERNEST STURM, Chairman of the Board

WADE FETZER, Vice Chairman

BERNARD M. CULVER, President

The National Underwriter

Thirty-Sixth Year No. 36

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 8, 1932

\$4.00 Per Year, 20 Cents a Copy

Complete Program for Annual Meeting

Schedule for the National Association of Insurance Agents Rally

MANY NOTABLE FEATURES

Philadelphia Convention Will Bring a Wealth of Material to the Local Forces

The detailed program for the annual convention of the National Association of Insurance Agents at the Benjamin Franklin hotel, Philadelphia, Sept. 20-23, has been completed. The following is the schedule of events:

Monday, Sept. 19

Registration

Registration of all attendants begins Monday at 9 a. m. Admission to all sessions will be by the official badge issued only to those who register. Tickets to the get-together dinner and entertainment events \$2.50, issued only to those who register. Registration fee \$5, applicable to all attendants except visiting ladies.

9 a. m.—Meeting of National executive committee, continuing throughout the day.

Tuesday, Sept. 20

National Council, Breakfast Conferences Prior to the meeting of the National Council, four breakfast conferences will be held at 8 a. m. as follows:

Eastern Underwriters Association territory, E. J. Cole, Fall River, Mass., presiding.

Western Underwriters Association territory, George W. Carter, Detroit, presiding.

Southeastern Underwriters Association territory, Sidney O. Smith, Gainesville, Ga., presiding.

Pacific Board territory, H. J. Thielen, Sacramento, Cal., presiding.

10 a. m.—Meeting of the National Council, President W. B. Calhoun, Milwaukee, presiding.

11:45 a. m.—Demonstration of old and new fire fighting apparatus in actual operation, historically accurate as to period covered, Independence Square, 6th and Chestnut Streets, to be broadcast over the Columbia network of 80 stations.

1:15 p. m.—Joint luncheon, national councillors and state officers.

2:15 p. m.—Meeting of state officers, Chairman C. L. Gandy, Birmingham, Ala., presiding.

Report of finance committee, E. J. Cole, Fall River, Mass., chairman.

Continuation of meeting of national council.

2:15 p. m.—Joint meeting of National association conference committees—fire, casualty, surety.

4 p. m.—Meeting national executive committee.

Annual get-together dinner 7 p. m. President W. B. Calhoun, presiding.

Toastmaster, Evan C. Jones, Wilkes-Barre, Pa.

Greetings from Philadelphia, J. Hampton Moore, mayor.

Greetings from the Pennsylvania Association of Insurance Agents, K. H. Bair, Greensburg, president.

(CONTINUED ON PAGE 33)

Demand for Cancellation of Hull Policies Big Problem

CONSENT IS OFTEN REFUSED

Many Insureds, in Need of Cash, Don't Want to Wait Until Expiration for Layup Return

NEW YORK, Sept. 7.—Marine companies have been subjected to extraordinary demands for cancellation of hull policies and layup returns this season. It has been a serious problem to avoid selling securities at depreciated levels to meet these demands and pay the losses. Under the marine contracts, hull coverage may be cancelled only with mutual consent, but heretofore it has been almost invariably true that the companies would consent to cancellation if a request were made for legitimate reasons. Lately, however, the demands for cancellation have been so overwhelming that many of the companies are refusing to consent.

Insureds, in desperate need of cash, are seeking cancellation, because they would get back the layup returns until the date of cancellation, plus the return premium beyond that date. If the policy were carried to maturity, there would be no refund until expiration when the layup return would be made. If a loss occurred there would be no return. Many insureds are too impatient today to wait for expiration. What they want is immediate cash.

When a hull policy is canceled, port risk insurance, the cost of which is low, may be purchased.

Entertainment Program for Philadelphia Meeting

PHILADELPHIA, Sept. 7.—The entertainment committee for the convention of the National Association of Insurance Agents has practically completed its program. The committee devoted most of its efforts to arranging a real vacation for the women visitors. It has arranged for a special room in the Benjamin Franklin Hotel, which will be open all day and set aside exclusively for cards for the women. On the afternoon of Sept. 20 there will be a bridge tournament. On the afternoon of Sept. 21 a fashion show displaying the latest fall and winter styles and to be given by one of the large department stores of Philadelphia has been arranged.

On the late afternoons of Tuesday, Wednesday and Thursday, the committee has arranged for concerts and teas in the hotel for the women.

There will be boat trips down the historic Delaware river and also bus trips to the many historic and revolutionary landmarks in Philadelphia and vicinity, including a trip to Valley Forge and its famous chapel.

For the men four golf courses will be available. A golf tournament will be held Friday afternoon at the Huntingdon Valley Country Club.

Lenore Ulrich, who will be appearing in Philadelphia at that time in "Nona," will be the colonial woman to be rescued by the fire fighters of 200 years

Reports on Manufacturing, Mercantile Vacancies Made

INSPECTION BUREAU WORK

Companies Get Description of Properties in Cities and Towns of West

The inspection bureaus in the various western states are in the midst of reporting vacant mercantile and manufacturing properties in towns and cities, together with a brief description of their physical condition. Whether such report will be prepared next year or thereafter depends on general conditions.

In the report the address, owner, map location and description is given. As an illustration of the style of the description: "Brick mercantile, 20 years old in good repair, has been entirely vacant for three months. Building clean and good supervision maintained. Doors locked. Last occupant failed in business but holds lease which does not expire for a year. No plans for future occupancy."

This is a subject in which the companies are greatly interested. The increase in vacancies has created an underwriting problem and the companies are perplexed in handling it.

Business Conditions Told

In the summary, the general business conditions of the towns are given. Employment conditions are noted as well as the bank situation and there is a general statement about residence vacancy.

The idea of getting out these reports was prompted to some extent by one of the restricted underwriting rules which are being put into effect in the western states. The most important of the new rules is regarded as that discontinuing the permit to use a permanent vacancy clause for a premium.

The new rules went into effect in Illinois, Aug. 15; Iowa, Aug. 9; Kentucky, July 18; Michigan, Aug. 15; Nebraska, Aug. 29, and Ohio, Sept. 1. The rules have been approved in a number of other states to be effective later. Among the other important rules are restricting the use of the unlimited permit for other insurance; extending the use of the three-fourths value clause and clarification of single state reporting forms.

ago at Independence Square Tuesday noon. It is also probable that Nazimova, star of the Theater Guild's "Good Earth," will appear with Miss Ulrich in this scene.

The entire demonstration in Independence Square will be broadcast by lapel microphones over the entire network of more than 80 stations of the Columbia Broadcasting System.

Catlin on the Mend

Sheldon Catlin of Philadelphia, vice-president of the North America, who has been afflicted with phlebitis for almost a year and has been confined to his home for that time, is slowly recovering. Mr. Catlin suffered from a ner-

Ohio Starts Far Reaching Reform

Inspection Bureau Stabilizes Renewals for the Local Agency Forces

NEW RULE IS EXPLAINED

Premium Refunds for Small Improvements Calling for Reduced Rate are Now Prohibited

Insurance men throughout the country are interested in the new rule that has been adopted by the Ohio Inspection Bureau which prohibits the practice of returning premiums after cancellation on the pro rata basis except where a rate has been reduced in special cases. It will have a far reaching effect. The campaign for this provision has been valiantly urged by W. A. Earls, well known local agent of Cincinnati, and he deserves great credit for sponsoring the cause in season and out and getting the agents throughout the state interested. This curtails the return of premiums after a policy has been in effect except on sprinklered risks and where reduction is in order for a very material change. The effect will be a big saving in the conduct of local business. It will minimize the agents' work, prevent undue competition for risks and simplify the labor of inspection bureaus.

Wanted Prohibition General

Mr. Earls in his argument for this rule has frequently stated that in no other business after purchase price has been fixed is there an effort to return part of this price. In insurance seemingly agents have been devising plans to reduce the rates so that a refund can be made to policyholders. Mr. Earls feels that this campaign should be taken up throughout the country. It is hoped that this matter will be championed by local boards in other states. Mr. Earls urged that the prohibition be made general and not permit a return premium by endorsement for any reason, even where automatic sprinklers are installed or improvements made, but he was unable to get this through. If the saving were substantial, the assured could profit by cancelling the policy short rate and rewriting.

New Rule Is Given

The Ohio rule is as follows: A policy shall be cancelled pro rata only on the order of the company issuing it except that a policy covering on a risk equipped with approved automatic sprinkler system may, at the request of the insured, be cancelled pro rata.

(CONTINUED ON PAGE 11)

vous breakdown and has had a long and serious siege. He now is on the mend but will have to remain quiet for some months to come.

Van Schaick Gives Views in Canada

Takes Important Place on Program at Provincial Superintendents' Annual Meeting

REPORTS ON SUPERVISION

Acquisition Cost Control in All Lines Is Theme of New York Official's Address in Winnipeg

WINNIPEG, CANADA, Sept. 7.—The Association of Superintendents of Insurance of the Provinces of Canada opened its annual meeting here with an address of welcome by E. K. Williams, K. C. He emphasized the importance of the meeting, stating it was conducive to the best interests of governments, public and companies alike.

President Dugal's address was followed by the secretary's report. Mr. Dugal introduced Superintendent Van Schaick of New York, whose address was on "Protection for Policyholders." Insurance departments were created as a safeguard for policyholders, the influence which created the departments having been the fact that companies' acquisition cost became extravagant. He found the legislation put into effect in New York controlling life insurance acquisition cost was effective and has to date, with various amendments, been a successful check on extravagant acquisition cost and most decidedly had an influence in lowering rates.

Takes Up Casualty Situation

Similarly, he said, casualty companies, in their eagerness to secure business, became much too generous in their agreements and generally created a serious condition for ultimate solvency, with the result that a standard acquisition cost was agreed upon and agency appointments were regulated. This condition checked the serious position in which companies had placed themselves, until recently through competition, incorporation of new companies, high capitalization and generally enforced expansion, the original conditions were renewed, requiring renewal of the original pledges to abide by limited acquisition cost and adequate and reasonable rates. These pledges have been signed and are filed with the department.

Action in Fire Insurance

The fire insurance business agreed upon a graded scale of commissions according to territory, which has similarly proved a desirable and successful regulation, he said.

Mr. Van Schaick then dealt with agents and propounded the ideal that an agent is really serving in two capacities, on behalf of the company and the client, or public. It was therefore desirable that the agent should be of high intelligence and ethics, he said. The agent also should be prepared to prove his ability and qualifications to serve in this capacity.

Agents are insofar as a company is concerned, entrusted with important powers and are in the position of technical advisers to the public. The New York department, in addition to control of companies in respect to acquisition and rates, and agents in respect to qualifications, investigates complaints made by the public, agents and companies, with the result that many infringements of law are punished, in addition to a considerable number of persons and corporations warned.

(CONTINUED ON PAGE 12)

Chattanooga Woman Chosen for "Miss Insurance" Hostess

MRS. C. S. CASON GETS PRIZE

Will Figure Prominently at the Forthcoming Convention of the National Agency Association

PHILADELPHIA, Sept. 7.—They say that gentlemen prefer blondes. So do women, for the two women members of the judging committee held out steadfastly for blue-eyed, blonde Mrs. Charles S. Cason of Chattanooga, Tenn., as "Miss Insurance," the choice from the several thousand employees of insurance agencies from 22 states as the official hostess of the annual convention of the National Association of Insurance Agents to be held here Sept. 20-23.

The judging was made solely from photographs of the entrants, each local and state association being eligible to enter the picture of one entry. The names and addresses of the girls were left off. The pictures simply carried numbers, a description of the girl and her qualifications.

Hard Task for Judges

It was a hard task for the judges, as they had made personality and intelligence their main requisites. After almost an hour's study they finally narrowed their selection to three—Miss Chattanooga, Miss Kansas City and Miss Springfield, Mass. It took almost another hour before the majority decided upon Mrs. Cason.

The judges were Mrs. Upton Favorite, managing director American Theater Society; Mrs. A. B. Waters, director Philadelphia Lecture Assembly; H. L. Wiggins, managing director Benjamin Franklin Hotel; T. J. Labrum and Larry Mackay, Philadelphia theatrical men.

Mrs. Cason, who is secretary of the Foundation Insurance Agency of Chattanooga, is a native of Dahlonega, Ga. She has blue eyes, long blonde hair, is 5 feet 7 inches in height and weighs 126 pounds.

Mrs. Cason has been with the Foundation agency for 2½ years. She was formerly with the Georgia Power Co.

MRS. CASON'S MESSAGE

CHATTANOOGA, Sept. 8.—Mrs. C. S. Cason, the "Miss Insurance" of the National Association of Insurance

THE WEEK IN INSURANCE

The completed program for the annual convention of the National Association of Insurance Agents, Philadelphia, Sept. 20-23, is announced. **Page 3**

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Ohio Inspection Bureau adopts a rule prohibiting the refund on policies after they are put in force except under special conditions. **Page 3**

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Demand for cancellation of hull policies is a problem to marine companies which are striving to avoid selling securities to meet obligations. **Page 3**

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Grand nest of the Blue Goose holds annual meeting in Chicago; keen competition for officers. **Page 4**

* * *

Canadian Insurance Superintendents' Association holds meeting in Winnipeg; costs in insurance given consideration. **Page 5**

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Mrs. Charles S. Cason of the Foundation Insurance Agency of Chattanooga, Tenn., has been selected as "Miss Insurance" and will act as the official hostess at the annual convention of the National Association of Insurance Agents in Philadelphia. **Page 4**

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Superintendent Hanson of Illinois reports on the number of agents and brokers licensed under the new qualification laws and advocates an appropriation to cover the expenses of policing and investigation under the brokers' law. **Page 5**

Miss Insurance at the Philadelphia Meeting



MRS. CHARLES S. CASON

Mrs. Charles S. Cason, secretary of the Foundation Insurance Agency of Chattanooga, has been chosen as "Miss Insurance" to act as hostess at the annual meeting of the National Association of Insurance Agents. The members of the agency are R. H. Kimball, V. C. Patten and F. A. Ryder. The agency represents largely companies in the America Fore fleet.

Agents at its forthcoming Philadelphia convention, said to THE NATIONAL UNDERWRITER today:

"I like business, particularly insurance work, because it is a clean business conducted with due regard to ethical practices. I am delighted and thrilled by my selection as 'Miss Insurance.' I feel very fortunate and highly honored to represent in official capacity such an important and outstanding organization. I look forward keenly to meeting all its representatives at the convention and hope to express in the role of 'Miss Insurance' the splendid spirit of the organization and something of my gratitude and appreciation."

National Underwriter Calendars are the best form of insurance advertising!

There is much speculation as to what will be the political effect on the Missouri fire insurance rate suit after the forthcoming gubernatorial election. **Page 5**

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In view of the withdrawal of the demand for application of compensation rate increase to outstanding policies, the chance of getting the general rate program across appears brighter. **Page 29**

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F. Robertson Jones, manager Association of Casualty & Surety Executives, in address before International Association of Insurance Counsel, outlines program of reform that is necessary if workmen's compensation is not to become uninsurable. **Page 29**

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Hal C. Thurman of Oklahoma City suggests to International Association of Insurance Counsel how cumulative liability under fidelity contracts may be avoided. **Page 30**

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Certain mortgage and real estate holdings of the Detroit Fidelity & Surety are claimed for the Federal Surety by the receiver for that concern. **Page 31**

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Occasional intercession by insurance commissioner in claim and other misunderstandings is necessary and beneficial. Commissioner Kidd of Indiana tells insurance counsel at White Sulphur Springs. **Page 29**

Life Cover Is Big Blue Goose Topic

No Changes Are Contemplated But Subject Is Provocative

INTEREST IN POLITICS

McKinley to Get Top Post—Phillips and Pollard in Contest—Leuty Canadian Choice

As the hard times grand nest flight of the Blue Goose got under way Wednesday in Chicago, it became apparent that the most provocative subject would be, as in the past few years, the group life insurance cover of the order. This is the hard times convention because the expenses of only one delegate from each pond are being paid by the grand nest and the meeting is being held in Chicago instead of Jacksonville, Fla., as originally planned.

There are no changes in the life insurance contemplated at this time. A representative of the Lincoln National Life is not present. Those who are enthusiastic as to the life insurance feature are exhorting its upbuilding, but adverse criticism is expected as well.

Experience Is Reviewed

D. Maury Pollard of Texas, as chairman of the life insurance committee, is pointing out that in the past four years, more than \$400,000 has been paid by the various life carriers who have had the risk. In 40% of the cases the Blue Goose life insurance was the only money in the estate. Although the mortality ratio is unsatisfactory from the carrier's point of view, many Blue Goose leaders believe that a point of stability will be reached.

W. F. C. Fellers of Florida, in his report as most loyal grand gander, said that all efforts should be concentrated in upbuilding the insurance feature. If necessary, he declared, all other activities should be suspended until perfection and permanence of the life insurance department are attained.

It appears that D. A. McKinley of Seattle will be advanced two notches from grand custodian to most loyal grand gander in view of the fact that H. Churchill-Smith of Montreal, the present grand supervisor, has dropped out. L. H. Bridges will probably go up from grand guardian to supervisor and S. A. Meharter of New Jersey from grand keeper to custodian. That leaves two vacancies at the bottom.

Contest for Grand Guardian

There is likely to be a contest for grand guardian, the position which will undoubtedly be filled by a southern gander. T. Ray Phillips of Oklahoma is an avowed candidate. Although D. M. Pollard is not an avowed candidate, some of his friends are campaigning for him.

The position of grand keeper apparently will go to H. B. Leuty, of Vancouver. He has the backing of the Canadian ponds and J. D. Cherry of Montreal proposes to put him in nomination.

Grand Wielder C. P. Hellwell of Milwaukee reported the membership as of Sept. 7, 1932 at 7,131. During the year 85 members died, 53 having the group life cover. Because of hard times 500 members were dropped but Mr. Hellwell expressed the belief that many would seek reinstatement. Ontario rang up the membership record, adding 34

(CONTINUED ON PAGE 12)

Paramount Issue in Missouri Suit

Much Speculation as to Effect of the Gubernatorial Election

NOT MUCH CHANGE SEEN

Not Believed Companies in Any Compromise Will Be Allowed to Retain Full Advance

BY DAVID F. BARRETT

ST. LOUIS, Sept. 7.—What effect will the coming elections have on the chances of a satisfactory permanent compromise of the long drawn out Missouri fire rate litigation?

With Nov. 8 just around the corner the answer to that query is naturally one to perplex those interested in the welfare of stock insurance. If the present state administration should decide to reach terms with the companies, would the new state officials regard themselves as bound by any such settlement, especially if Missouri should decide to switch from a Republican to a Democratic governor?

Main Issue in the Litigation

Missouri agents have known for many months that it is possible for the companies to reach a settlement with the present administration if the terms are not such that the state must surrender completely what Governor Caulfield regards as its essential rights. From his point of view the paramount issue is the jurisdiction of the Missouri department over rates. On that particular point neither he nor Superintendent Thompson will back up one inch. So if the company leaders are inclined to still question the authority of the insurance department in that direction they had better prepare for a legal battle right down to the United States Supreme Court with no quarter expected and certainly none to be given.

On the other hand, both Governor Caulfield and Superintendent Thompson are broad enough and have the courage

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Many License Applications Disapproved, Hanson Says

ILLINOIS OFFICIAL REPORTS

As of July 64,734 Agents Licensed; 1,176 Agents' Solicitors; 7,200 Brokers; 800 Brokers' Solicitors

Superintendent Hanson of Illinois, in a pamphlet reviewing some phases of the operation of his department, reports that as of July 1, 1932, 64,734 agents had been licensed under the new qualification laws; 1,176 agents' solicitors, 7,200 brokers and 800 brokers' solicitors.

Many applicants for agents' licenses have been disapproved, according to Mr. Hanson, the most important reasons being that the applicant desires only to be licensed so that he may either gain the commission for himself on his own personal property or that of his employer; because the individuals, partners or corporations are not residents of Illinois; because of unscrupulous tactics that are uncovered, and because certain applicants were corporations whose charters do not confer upon them the right to act in the capacity of insurance agents.

Although accurate comparison cannot be made, Mr. Hanson says it appears that there will not be as many agents licensed for 1932 as there were last year, due to the fact that many companies are using the act as a means of not renewing the licenses of non-productive individuals; that many undesirable applicants will not be granted licenses and that many persons who turn to insurance as a last resort for a means of livelihood have believed that they could not qualify under the strict regulations.

Brokers' Qualification Law

The brokers' qualification law, according to Mr. Hanson, has been the means toward correcting many unethical practices. Since the adoption of the act, the Illinois department has observed many irregularities, especially with relation to money transactions and withholding premiums from companies, he said.

If the brokers act is ultimately to accomplish the purpose for which it is drawn, according to Mr. Hanson, it will be necessary that a sufficient fund be created to permit policing and investigation as to the conduct of brokers and for the adjudication of controversies.

Mr. Hanson said that men and agencies motivated by selfish purposes are

(CONTINUED ON PAGE 13)

Walter H. Bennett Heartened by New Cooperative Era

Summons to support the American agency system and to stand by the companies that endorse it was sounded by Walter H. Bennett, secretary National Association of Insurance Agents, at the annual dinner of the Minnesota Association of Insurance Agents at Rochester, Minn.

Mr. Bennett pointed out the great significance of the sacrifice made by the insurance companies in transferring \$150,000,000 of their capital to the surplus account—a contribution to the welfare of the public. He paid tribute to the companies in their successful efforts to weather the storm.

One of the brightest signs of the times, according to Mr. Bennett, is the growing confidence between insurance agents and companies. A dozen years ago, he said, a National association president called upon the head of a large insurance company, who refused to see him because he was too busy. Since then there has been a marked change. Now the great organization of companies invites representatives of their agents to sit in conference with them.

Mr. Bennett commented on the new Insurance Executives Association and told of President Paul L. Haid's task to harmonize the activities of the companies. Mr. Haid recognizes the importance of gaining the confidence of agents and he is going to speak at the National association meeting in Philadelphia as a consequence.

Hamburg Is Liquidating

The Hamburg Insurance Company of Germany has been forced to liquidate, for one reason because the Hamburg-American, a subsidiary, was ordered to cease business by Superintendent Van Schaick of New York. The Hamburg-American owns some 23,000 shares of the defunct Security Life of Chicago and the New York superintendent agreed that the company must cease business until acceptable securities were substituted. Also the Hamburg of Germany was faced with the necessity of writing down its stock holdings in other subsidiaries.

B. E. Freeman Resigns

B. E. Freeman, state agent for the Globe & Rutgers, with headquarters in Boston, has resigned.

Superintendents of Canada in Session

President Dugal Calls Attention to Need for Low Operating Costs

TO START INVESTIGATION

Statement Is Made Better Qualifications Are Needed, 50 Percent of Agents Commission-seekers

WINNIPEG, Sept. 7.—President B. Arthur Dugal, Quebec, of the Association of Superintendents of Insurance of the Provinces of Canada, urged insurance companies to pay great attention to acquisition and operating costs, in his annual address at the superintendents' meeting here. He pointed out that commodity prices have gone down during the depression period and sales have thereby greatly increased, but the price of insurance has not been reduced and its sales certainly need stimulation.

He asked whether the acquisition and operating costs of insurance are fair and reasonable, or too high. He said he was not in a position to answer this question, but intends to investigate further through special reports which he shall ask companies to furnish.

President Dugal's Comments

President Dugal commented on the conflict of jurisdiction between the Dominion and the provinces in insurance matters, culminating in the new Dominion acts, which have been ruled by legal advisors of the provinces as unconstitutional. He said the only ray of hope now is the intimation of cooperation between the Dominion and the provinces.

Better qualifications of agents are needed, he said. Fifty percent of licensed agents in Quebec are not efficient—they are only commission-seekers. Companies are recommending almost anyone anywhere for a license.

Secretary R. Leighton Foster of Ontario gave his report.

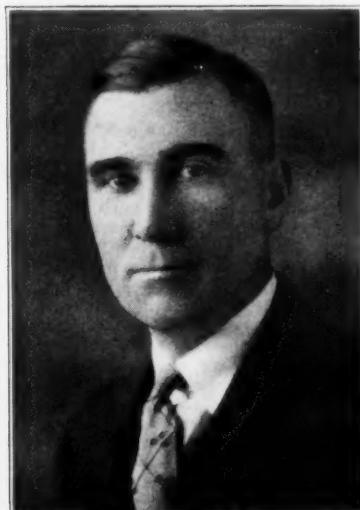
In provincial legislation he said the outstanding feature passed was the uni-

(CONTINUED ON PAGE 12)

BLUE GOOSE GRAND NEST LEADERS AT MEETING



W. F. C. FELLERS, Jacksonville, Fla.
Most Loyal Grand Gander



D. A. MCKINLEY, Seattle
Grand Custodian of the Goslings



L. H. BRIDGES, Omaha
Grand Guardian of the Nest



C. P. HELLIWELL, Milwaukee
Grand Wielder of the Goose Quill

OF COURSE, Mr. Home Owner, we do not mean to call you names, but if you have your home insured only against fire, you really are acting very much as an ostrich hiding his head in the sand.

Especially in these money-tight times, few people can afford to restore a damaged building and replace its contents from their own pockets. The low cost of protection against all the other hazards that threaten property makes it wise to obtain all-around insurance protection with a dependable company.

*Ask your
ALLIANCE
Agent*

Big Taxes on Big Buildings
Insured tax paid by

Helping the Alliance Agent put residence protection on an all-around basis.



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

June 30 Fire Statement Figures

(As Filed with Georgia Insurance Department)

	Capital	Assets	Surplus	6 Mos. Income	6 Mos. Disburs.
Allemania, Pa.	\$ 200,000	\$ 4,939,657	\$ 1,387,459	\$ 773,275	\$ 1,098,051
Alliance, Pa.	1,000,000	6,578,050	2,091,099	1,213,703	1,480,260
American Alliance	3,000,000	7,678,020	1,293,946	1,172,066	1,216,823
American Constitution	1,000,000	1,427,212	98,317	125,120	185,615
American Eagle	1,000,000	10,329,030	1,332,977	2,096,948	2,193,822
American, N. J.	3,343,740	26,346,725	6,456,103	10,457,067	8,201,173
American Reserve	1,000,000	4,574,724	1,046,604	915,944	1,165,432
Anchor, R. I.	1,000,000	1,790,473	170,888	266,942	116,027,076
Baltimore American	1,500,000	3,915,413	468,015	1,461,787	2,169,497
Bankers Fire, N. C.	200,800	352,465	70,668	39,458	27,182
Bankers & Shippers	1,000,000	4,790,349	875,897	1,448,907	1,553,029
Buffalo	1,000,000	6,006,463	1,513,269	1,113,513	1,028,628
Caledonian	645,000	3,507,795	855,341	1,194,084	1,085,353
California	1,000,000	5,139,075	1,368,133	979,758	1,085,353
Camden	2,000,000	11,394,959	3,278,577	2,753,042	2,924,189
Citizens, N. J.	1,000,000	2,698,230	875,360	261,424	393,486
Columbia, O.	1,000,000	2,849,443	917,407	369,970	342,839
Commercial Union, N. Y.	1,000,000	3,035,217	64,720	551,851	604,947
Concordia	1,000,000	5,022,306	793,347	1,121,427	1,265,454
Dixie	500,000	1,385,969	480,341	180,248	178,529
Eagle-Star		4,832,191	2,151,542	1,226,032	1,281,770
Empire State	1,000,000	2,507,031	810,177	260,003	279,646
Federal	2,000,000	14,977,819	6,545,528	2,001,840	2,157,124
Federal Union	1,000,000	2,317,244	445,843	890,692	364,577
Fireman's Fund	7,500,000	31,727,029	8,098,030	7,861,387	8,927,694
Firemen's, N. J.	9,397,690	42,286,266	21,082,995	4,101,085	5,610,983
Franklin Fire	3,000,000	20,908,697	2,097,037	3,745,115	4,645,817
General Exchange	1,000,000	12,849,699	3,819,165	5,649,119	5,030,231
Girard F. & M.	1,000,000	5,732,788	990,031	1,141,568	1,304,958
Granite State	1,000,000	3,738,745	1,188,050	648,200	712,565
Harmonia	1,000,000	4,163,941	407,419	448,204	827,691
Hartford	12,000,000	83,091,654	15,204,469	18,024,743	20,124,788
Home F. & M., Cal.	1,000,000	5,424,976	1,591,602	1,219,611	1,329,228
Homeland	1,000,000	2,053,317	514,374	297,842	274,039
Homestead	500,000	1,770,237	147,357	235,052	263,542
Hudson	1,000,000	2,780,162	250,509	676,574	1,006,923
Ins. Co. State of Penn.	1,000,000	6,264,763	1,237,935	1,425,287	1,298,072
Lincoln Fire	1,000,000	4,789,579	714,382	1,643,977	2,239,444
London Assurance		7,120,174	2,900,739	2,427,811	2,149,229
Lumbermen's Mut., Pa.	1,000,000	3,905,702	555,193	947,701	894,183
Marine	2,000,000	4,816,562	2,546,629	1,141,800	1,364,402
Mass. F. & M.	1,000,000	2,448,568	476,395	411,761	365,253
Mechanics	600,000	4,573,093	5,459,017	1,121,261	1,288,200
Mercury	1,000,000	3,996,692	992,616	1,056,002	1,024,655
Michigan F. & M.	1,000,000	3,631,773	451,798	705,542	820,139
Milwaukee Mechanics	2,000,000	12,221,975	2,659,537	2,339,048	2,585,835
National-Ben Franklin	1,000,000	4,832,587	563,703	1,120,958	1,285,240
New England Fire	400,000	1,169,168	205,890	256,870	313,326
New Hampshire	3,000,000	17,120,638	4,852,358	2,396,871	2,607,274
New Jersey	1,000,000	3,333,678	331,472	921,451	935,492
Norwich Union		6,614,574	1,550,774	1,626,588	1,653,138
Occidental	1,000,000	3,671,062	1,736,871	433,694	406,975
Orient	1,000,000	6,400,642	2,153,132	1,105,107	1,225,407
Pacific	1,000,000	5,350,150	931,858	1,656,191	1,677,236
Palatine	1,000,000	3,939,991	716,088	890,698	959,899
Philadelphia National	1,000,000	2,022,131	411,495	352,456	300,275
Providence Washington	3,000,000	11,686,306	907,855	2,543,694	15,127,948
Rochester American	1,000,000	2,925,637	756,705	490,733	423,971
Royal Exchange		4,387,428	1,157,950	2,488,121	1,606,763
Standard, N. Y.	1,500,000	4,330,862	1,384,971	1,927,801	604,021
St. Paul F. & M.	4,000,000	28,262,155	10,658,612	7,011,959	7,159,314
Scottish Union & Nat.		6,662,014	1,303,548	1,820,701	2,066,634
Sentinel Fire	1,000,000	2,232,134	587,055	281,966	243,842
Skandia		2,922,630	1,140,093	829,462	733,463
Southern Fire, N. Y.	1,000,000	3,720,259	443,783	532,790	585,040
Southern Home, S. C.	500,000	1,412,476	487,393	254,735	365,291
Standard Marine		2,983,989	1,627,972	1,067,982	1,093,325
Star	1,000,000	4,026,669	595,162	1,071,661	1,057,345
Stuyvesant	1,000,000	1,925,746	28,840	73,489	390,269
Superior	1,000,000	4,252,313	906,903	608,055	690,668
Svea		3,029,029	875,118	752,921	945,218
World F. & M.	1,000,000	4,033,449	1,677,764	641,256	668,065
Zurich Fire	200,000	908,285	403,473	222,886	249,496

*Premium income, \$581,512; interest, \$95,934; other sources, \$1,250,354.
†Includes \$914,483 loss on sale of securities.

‡Includes \$2,176,029 loss on sale of securities.

§Premium income, \$354,473; interest, \$46,622; other sources, \$502,596.

Mutuals

Company—	Assets	Surplus	6 Mos. Income	6 Mos. Disburs.
Fitchburg Mutual	\$ 761,218	\$ 261,303	\$ 315,662	\$ 337,642
National Mutual, O.	376,671	179,832	126,356	138,745
Pennsylvania Millers Mutual	2,093,401	1,596,010	317,884	249,185
United Mutual, Mass.	3,088,565	1,232,941	1,189,438	1,095,809
Berkshire	743,601	171,293	296,822	309,553
Lumber Mutual, Mass.	3,080,521	2,347,353	737,673	644,901
Merrimack Mutual	961,685	165,227	400,315	383,028

Urges Local Boards to Hit Free Insurance Practice

John D. Saint of Baton Rouge, manager Louisiana Insurance Society, is endeavoring to install in local exchanges in that state agreements on handling renewals in the effort to curb too much free insurance. The Opelousas and Lafayette local exchanges have adopted the plan. The provision is as follows:

"To curb free insurance and discourage assureds from holding renewal policies when they, in fact, do not intend to continue the insurance, the members of this exchange are obligated to discontinue renewing policies unless the assured has agreed to the continuance of the insurance. Member agents agree to hold in their offices the daily reports on such business until it is definitely agreed between assured and agent that renewal is wanted; in the absence of such an agreement, it is understood and binding upon the membership that all 'not taken' policies will be returned to the

companies with the daily reports and shall be marked 'spoiled' instead of 'cancelled flat,' the obvious reason being to eliminate bookkeeping in the agency and avoid the accompanying expense at the home office of recordation, reinsurance, etc."

American of Newark Figures

The American of Newark, as of June 30, showed assets \$26,346,725, special reserve fund \$300,000, premium reserve \$13,510,590, net surplus \$6,486,104. Loss ratio the first six months was 62.1 percent and expense ratio 47.2 percent. The interest earned was \$632,163.

Will Reinsure Its Business

The Retailers Mutual Fire of Harrisburg, Pa., through its president, H. W. Shaffer, is arranging to reinsure its outstanding business. It started writing in 1903. As of Dec. 31 it had \$20,445 assets. Its premiums were \$46,924.

The Builders & Manufacturers Mutual of Chicago has been licensed in Ohio.



Like Father ... Like Son . .

HEREDITY makes a big difference. Nearly four years ago the Fidelity and Guaranty Fire Corporation came into being. At the end of the first year, it had 3,342 agencies. Today the number exceeds 4,500.

Why could this new company build so quickly an agency organization matched only by many older fire companies? The answer is Heredity. The F. & G. Fire began business with a well-established reputation, earned by its parent company—the U. S. F. & G.

Agents and brokers knew that the U. S. F. & G. has always lived up to its policy. *Adjust quickly: pay promptly.* They knew that the fire company would adhere to the policy established by its parent. They knew that, although an agent or broker gets his income from premiums, it is prompt payment of claims that helps build his reputation and business.

That is why they are aligning themselves with the Fidelity and Guaranty Fire Corporation. Nearly four years of experience have proved their confidence justified. Like its parent organization, the Fidelity and Guaranty Fire Corporation has never been late in payment of a claim.

These Local-Agency-Minded Companies originated the slogan,
"Consult your Agent or Broker as
you would your Doctor or Lawyer."



Unexcelled service on all casualty,
surety, fire, automobile and inland
marine lines through 11,000
Agencies and Branch offices in
the United States and Canada.

Fidelity and Guaranty Fire Corporation

which is affiliated with

United States Fidelity and Guaranty Company

HOME OFFICES: BALTIMORE, MD.

AS SEEN FROM CHICAGO

VERNOR REVIEWS DECADE

R. E. Vernor has gotten out a review of the activities of the fire prevention department of the Western Actuarial Bureau in view of the fact that in October that department will have completed its tenth year of existence. In the ten years 838 towns were inspected by state fire prevention associations, 150,530 defective risks were reported, 521,053 recommendations were made, 82 percent of the risks inspected have been criticized and a record of 50 percent compliance has been made.

the Missouri State Life's branch office in Chicago, and then went with O. W. Huncke & Co., Chicago general insurance agency, in charge of the life department. Cramsie-Laadt has been in existence for eight years but never heretofore attempted to develop life business.

This is the second agency of the company in Chicago, the agency of Hugh B. Keck there for several years having been one of the company's leaders. The partners in Cramsie-Laadt, F. A. Cramsie and W. T. Laadt, are well known in general insurance.

* * *
CHARLES WILSON STILL MYSTERE

CHARLES WILSON STILL MYSTERY

There is still much mystery as to the identity of Charles Wilson who is promoting what is called the Insurance Policyholders National Protective Association whose statements are broadcast every Friday evening from 5:45 to 6. Numerous efforts have been made to find out from the Chicago Federation of Labor the identity of Wilson, but no illuminating information is given. Wilson does not appear at the station but his statements are read. He makes attacks on the Illinois insurance department and seems to cast aspersions on stock companies. It was reported that the mutual fire and casualty companies were back of the broadcast, but A. V. Gruhn, manager of the American Mutual Alliance, denies positively that his group has anything to do with it. Mr. Gruhn stated that if the American Mutual Alliance group had anything to broadcast it would be done in a dignified and open manner and there would be no mystery about it. In the broadcast listeners are requested to seek insurance information and learn the standing of any company in which they are interested.

EXAMINERS TO MEET SOON

The Chicago Association of Fire Insurance Examiners will hold its first fall meeting at De Met's grill in the Board of Trade, starting at 5:30 p. m., Sept. 15. R. T. Nelson, assistant to the manager of the Chicago Board, will speak on "Some Important Problems of the Fire Insurance Business."

* * *

WILL ATTEND WELFARE MEETINGS

W. B. Flickinger, assistant western manager of the North America, who sustained a serious automobile accident a few weeks ago, is now hobbling about with a cane but expects to be able to go to Manchester, Vt., to attend the semi-annual meeting of the Western Underwriters Association. George H. Bell, western manager of the National of Hartford, who has been suffering intensely from a carbuncle, was at his office Tuesday and he too expects to join the Manchester brigade.

* * *

CHARMAN SEEKS MEMBERSHIP

R. R. Chapman, Cook county manager for the Corroon & Reynolds group, has applied for class 1 membership in the Chicago Board to succeed N. A. McNamara, who was Cook county manager for the Public Fire, which has been absorbed by the Globe & Republic of the Corroon & Reynolds group.

* * *

McNAMARA STILL ON THE COAST

N. A. McNamara of Chicago, manager of the Great Lakes department of the Public Fire, is still in San Francisco where he has been sojourning for the last few weeks, clearing up the Public Fire's situation out there and doing some special work for Corroon & Reynolds who took over the Public Fire.

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WILL LEAVE FOR MANCHESTER

The western contingent of the Western Underwriters Association will leave Saturday morning for Manchester, Vt., to attend the semi-annual meeting which starts Tuesday. The governing committee will meet Monday. J. C. Harding of the Springfield is chairman of the committee. The members will arrive Sunday morning and will disport themselves on the golf links before the meeting starts. Manchester is a favorite place for the members of this organization. This will be the first meeting over which the new president, W. D. Williams of the Security, will preside. Undoubtedly the question of farm commissions will come up. The Farm Insurance Association has voted to reduce farm commissions from 25 to 20 percent, starting next January. There has been much opposition to this on the part of the agents. Some of the companies that write some farm business but are not members of the Farm Insurance Association are not yet convinced that the move should be made. The Farm Insurance Association asked the Western Underwriters Association to take action on the farm commission question so that it would be mandatory on all. This undoubtedly will be one of the questions up for discussion.

Another feature that may be presented is the assuming of jurisdiction by the Western Underwriters Association over

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*a Hearty Welcome * * * * * * * * * * * * * * **
*at our headquarters * * * * * * * * * * * * * * **
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*Benjamin Franklin Hotel * * * * * * * * * * **
*Philadelphia, Pennsylvania * * * * * * * * **
*at the 37th Annual Convention * * * * * * **
*of the National Association * * * * * * * * **
*of Insurance Agents * * * * * * * * * * * * **
*September 20th—23rd * * * * * * * * * * **

**The Pennsylvania Fire Insurance Company
The Commonwealth Insurance Co. of N. Y.
The Homeland Insurance Co. of America
The Mercantile Insurance Co. of America
North British & Mercantile Ins. Co., Ltd.**



collateral lines. At the present time some of the side lines do not come under its rules and hence there is much off side play. Some of the members declare that the organization should take cognizance of all lines written except marine.

H. W. Chesley, assistant secretary, is in charge of the details of the trip.

New Indiana 1932 Handbook Is of Particular Interest

The 1932 Underwriters Handbook of Indiana is just off the press. It gives complete and up-to-date "line-up" of the state from the insurance angle—agencies, companies, adjusters, field men, general agents, attorneys, organizations, statistics, etc. Of particular importance in this book are the figures for 1931 of fire, casualty and life companies operating in the state. These have been secured in advance of the publication of the state insurance report through the courtesy of the insurance department and are shown together with the figures for the past six years, giving an interesting exhibit of the growth of insurance in Indiana.

The agency data reflects the trend of the times showing the numerous changes which have taken place during the past 12 months and the effects of the new law in Indiana requiring an agent to show a receipt for his poll tax before his license is issued. This handbook is issued by THE NATIONAL UNDERWRITER.

State Insurance Department Examiners Are Organizing

The National Association of Insurance Examiners, composed of actuaries and examiners of state insurance departments, is now in process of organization, having to date 115 members. Officers are being elected by mail. R. D. Chapman of the Illinois insurance department is acting as secretary. The prime movers in the organization, aside from Mr. Chapman, are Lawrence Rouble, chief examiner of the California department; L. K. Arrington, chief examiner Tennessee department, and R. M. Meyer, actuary of the California department. The association will have a committee present at the annual meeting of the National Convention of Insurance Commissioners. It is hoped that the commissioners' organization itself will give the examiners' association recognition. The object is to standardize practice and to exchange information.

Tennessee Valued Policy Law Analyzed by Adjuster

The Fire Companies Adjustment Bureau through its southeastern department has sent to all the companies an opinion on the valued policy law in the case of Riddick vs. Yorkshire and Niagara, growing out of the total loss on a building. The court held that the companies under the valued policy law must pay the full amount of their policies, \$35,000, although the value of the building at the time of the fire was \$36,546. This position was taken because the agent who wrote the policies had not inspected the property and fixed the valuation within 90 days of its issue. Attorney R. L. Bartels, who reviewed the decision, said:

"The supreme court of Tennessee has upheld the validity of the valued policy law, passed by the Tennessee legislature in 1927, and has also held that under a proper interpretation thereof, in case of a total loss of a building, or property of a kindred nature, fire insurance companies are obligated to pay to the insured the full amount stated in the policy, regardless of whether that amount represents the true value of the

property at the time of the loss, and regardless of any depreciation.

"There is, under this decision, no valued policy law in Tennessee applicable to personal property of any nature, save and except buildings. Companies therefore may contract as they see fit in regard to the insurance of personal property, etc., i. e., under the three-fourths clause, coinsurance clause or otherwise.

"Coinsurance clauses, three-fourths value clauses and provisions of the New York standard fire insurance contract regarding depreciation, right of appraisal, etc., are, under the above men-

tioned decision of the supreme court, rendered nugatory in case of a total loss of an insured building.

"The valued policy law regarding buildings insured does not apply for the first 90 days after the issue of a policy. If within that time the agent issuing the policy fails to make a personal inspection of the insured building and fix a value on that building which is agreed to by the assured, the amount mentioned in the policy represents the measure of the insured's damage in the event of a total loss to the building. If within that time the agent fixes a value, which is not agreed to by the insured (and a

fixation of the value put upon the policy, or otherwise evidence), the company has the option of either canceling the policy, with the five days' notice to the insured, or allowing it to stand and paying the face amount to the insured in the event of a total loss."

Ankenbauer Critically Ill

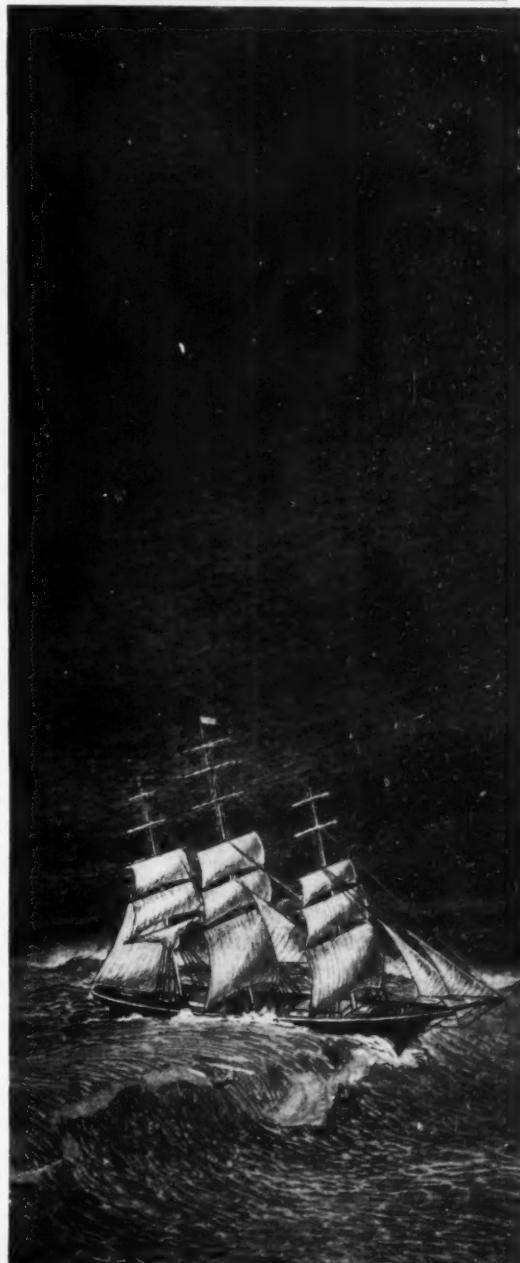
John F. Ankenbauer of Cincinnati, well known to agents all over the country, is critically ill in a hospital there as a result of a heart attack last Friday.

The American Home Fire has been licensed in Maryland.

Trust the ship that triumphs over the storm

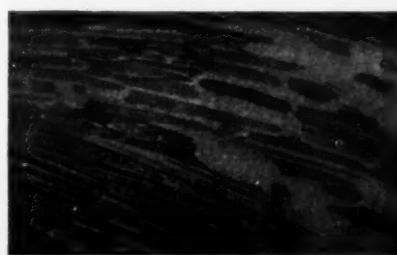
Confidence rests in the ship with a record of storms conquered. The record of the Northwestern in every test increases public confidence in this sound and progressive company.

Agents with the backing of the Northwestern are really going somewhere. We would like to hear from other progressive and far seeing agents with an ambition to build securely and well for the future.



NORTHWESTERN FIRE AND MARINE INSURANCE CO.

JOHN H. GRIFFIN, President
MINNEAPOLIS • MINNESOTA





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OCEAN MARINE

TOURIST FLOATER
SALESMEN'S FLOATER
YACHT AND MOTOR BOAT
ALL RISK PERSONAL
JEWELRY
ALL RISK PERSONAL FURS
ALL RISK TOURIST FLOATERS
JEWELERS BLOCK POLICIES
PUBLIC LIABILITY
MERCANDISE IN TRANSIT
via Truck, Rail or Steamer
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CHANGES IN THE FIELD

Dame Is Ohio State Agent

Oklahoma Chief Field Man Is Shifted
by Crum & Forster—J. K. Snodgrass
Is Successor

L. C. Dame, who has been Oklahoma state agent for the Crum & Forster companies, is transferred to Ohio to be state agent there, making his headquarters in the Citizens Bank Building, Columbus. T. K. Boyd, V. H. Burke and M. F. Johnson will continue to supervise their respective fields as heretofore in Ohio, Mr. Dame having general charge of the state. L. A. Balles of Dayton, O., formerly state agent, has resigned. Mr. Dame has been with the Crum & Forster organization for ten years. Mr. Boyd has his headquarters at Toledo, Mr. Burke at Painesville and Mr. Johnson at Columbus.

J. K. Snodgrass, who has been associated with Mr. Dame as special agent in Oklahoma, now becomes state agent with jurisdiction over the entire state, with headquarters at 1104 Perrine building, Oklahoma City. He will have an assistant to be appointed later.

C. C. Woodcock

Carl Beutenbach, Kentucky state agent of the National Union, has resigned. Kentucky will now be supervised by C. C. Woodcock of Nashville, Tennessee state agent, aided by Special Agents A. T. Coates in Kentucky and K. T. Crawford in Tennessee. Mr. Coates joined the National Union in Kentucky some weeks ago, having previously been with the Home and with the Kentucky Actuarial Bureau.

Edwin J. Carter

Announcement is made of the appointment of E. J. Carter as state agent for

Joins the National Union

G. D. Van Wagenen Is Appointed State Agent in Minnesota for the Pittsburgh Company

Announcement has been made of the appointment of G. D. Van Wagenen as state agent in Minnesota for the National Union Fire. He is an experienced field man, having previously served the National Union for several years as special agent in Wisconsin, state agent in Minnesota and the Dakotas and manager of the northwest service office at Minneapolis. Subsequently, Mr. Van Wagenen was state agent in Minnesota for three years for the Firemen's of Newark and the past two years in the same capacity for the Fireman's Fund, which position he relinquished to rejoin forces with the National Union. His headquarters will be maintained at 942 Metropolitan Bank building, Minneapolis.

Harold Knox, Grafton Smith

Two field men of the Public Fire, which is now absorbed in the Globe & Republic of the Corroon & Reynolds fleet, have joined the General of Seattle in the eastern department. Harold Knox becomes state agent for western Pennsylvania and western New York for the General with headquarters in the Union Bank building at Pittsburgh. Grafton Smith is named state agent for central and eastern New York with headquarters in Syracuse.

Michigan succeeding F. T. Bower, for the Scottish Union & National and the American Union. Mr. Carter was formerly Detroit and Wayne county manager for the Automobile of Hartford group.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

INTEREST IN SUN'S MOVE

Particular interest attaches to the action taken by the Sun in discontinuing its downtown branch office and placing its local business interests with the Whitehill Agency for the reason that the tendency has been the other way. Several companies have recently opened their own branch offices and have their city departments under direct control. The Sun's city office wrote \$95,793 in premiums the first half of this year, an increase of \$7,116 over the same period in 1931. In 1930, however, it wrote for the first half of the year \$135,540. The Whitehill Agency, representing the Patriotic, wrote for that company the first half of this year \$30,013, an increase of \$3,095 over its 1930 business, same period. The Sun arrangement is expected to jump the importance of the agency materially and there will be much interest in the Sun figures.

MONTGOMERY CLARK RETURNS

Montgomery Clark, vice-president of the Hanover Fire, who has been spending his vacation at Edgerton, Wis., with Agent Henry Johnson, and who has also been stopping in Milwaukee and Chicago, is back in New York to open the fall campaign.

* * *

INSURANCE SHARES ADVANCE

As was wholly natural, prices of shares of insurance companies materially advanced during the past six weeks in keeping with the increase in the value of securities dealt in on the stock exchange.

The companies holding in their portfolios many of the standard stocks, favorites with the investing public, are quoted as from 10 to 40 points higher today than they were at the end of last June. Because of the character of the securities held by the insurance companies and the strong probability that they will show still greater enhancement in value before the end of the year, shares of insurance companies are being purchased aggressively today, particularly those in touch with underwriting affairs and familiar with company administrations.

RULING ON DIVIDENDS

"Amounts returned to policyholders of a mutual insurance company are to be treated by them for income tax purposes as rebates of premiums rather than as dividends, except to the extent that the payments come from earnings exclusive of premiums, under a ruling just announced by the general counsel of the bureau of internal revenue," according to J. S. Seidman, tax expert of Seidman & Seidman, certified public accountants.

* * *

PRINTED IN BOOKLET FORM

The memorandum of the appeal made in behalf of members of the National Bureau of Casualty & Surety Underwriters and of other casualty companies represented by the committee of Casualty Executives, before Superintendent Van Schaick of New York, in the department's ruling upon marine insurance powers, last July 25, has been printed in booklet form.

Ohio Starts Far Reaching Reform

(CONTINUED FROM PAGE 3)

provided it is rewritten in the same company, on the same property, for an equal amount and for not less than the unexpired term of the policy cancelled. In case of a change in rate during the term of a policy pro rata return premium by endorsement will be permitted only when the reduction in rate is due either to improvements resulting from expenditures by the insured or a material change in hazard and is so certified by the Ohio Inspection Bureau. If so certified, policies may be cancelled pro rata provided they are rewritten in the same company on the same property, for an equal amount, and for not less than the full term of the policy cancelled. The symbol "R" will appear in the occupancy column of rate publications when pro rata return premium is in order under this rule.

Short rates, according to the short rate tables on the following pages, must be charged for every policy written for a term less than one year and for every policy cancelled except as provided above.

Note: The above rules are subject to the provisions of the rules on maximum and minimum charges.

Information on New Rule

The Cincinnati Underwriters Association in a bulletin to members gives the following information as to the new rule:

1. Sprinklered risks—no change in existing practices.

2. All other risks—no return premium by endorsement unless the reduction in rate is due either to improvements resulting from expenditures by the insured or a material change in hazard and is so certified by the Ohio Inspection Bureau.

3. If rates are certified by the Ohio Inspection Bureau as being entitled to a reduction, policies may be cancelled pro rata provided they are rewritten in the same company on the same property, for an equal amount, and for not less than the full term of the policy cancelled.

4. The symbol "R" will appear in the occupancy column of rate publications when pro rata return premium is in order under this rule.

5. If the symbol "R" does not appear in the occupancy column, the only way of taking immediate advantage of the reduction in rate (except on sprinklered risks) is by short rate cancellation.

The Ohio Inspection Bureau will determine whether or not the reduction in rate is due to a material change in hazard.

Will Have Important Effect

The new rule will have an important effect on competitive practices. It will put an end to the transfer of risks based upon slight changes in rates on account of inconsequential structural or protection improvements. Much time which has been spent in the past making surveys which resulted in a slight decrease in the rates without any vital effect upon the risks, will no doubt be discontinued. There will be no pro rata cancellations except where the Ohio Inspection Bureau indicates that a sufficient change has been made by the policyholder in the risk to warrant return premium recognition. Even then it is specified that the policies are to be rewritten in the same company on the same property, for an equal amount and for not less than the full term of the policy cancelled.

Will Stabilize Renewals

It is believed that the rule will be a benefit to many of the smaller offices, which, particularly in the last two years, have not been financially able to support an engineering department. It will tend to stabilize the retention of risks in the control of agents who now have the risks on their books.

For the larger offices it will mean a substantial saving in office operation. Some of the leading offices estimate that it will reduce the amount of premium returns by more than three-fourths. A difference in the labor necessary to han-

dle the policy endorsements and bookkeeping will be great enough in some offices to permit a reduction in the working force. When a return premium was given, there was the necessity of preparing and placing the policy endorsement, changing the records in the bookkeeping department, both on the individual account of the policyholder and on the company account and in addition the labor of writing out and mailing out the return premium checks.

Will Mean Increased Premium

Not only will there be this saving in labor costs but there will be also the increased premium return for both the agent and the company. The commission saving will be substantial.

For the companies the advantages will be the saving in handling costs, bookkeeping costs and the effect upon reserves and taxes in those states where companies were not permitted to deduct return premiums on their reports to the state. Some states require reserves and taxes to be figured upon gross premiums without any consideration for premiums which are returned.

While under the terms of the policy there may always be a short rate cancellation, the cases where an agent may consider it advantageous to do this, when the rate reduction is not certified by the Ohio Inspection Bureau as entitled to pro rata cancellation, are expected to be almost non-existent.

Agents Are Responsible

The agents themselves have been responsible for the growth of the return premium practice and they have also taken the initiative in bringing about the Ohio change. The benefits to individual agencies by reason of transfer of risks have been overshadowed by the increasing cost to the agent of handling so many cases where new business was not involved. Moreover, the companies, since they are now giving more attention to underwriting and expenses rather than to volume of premiums at any cost, have been ready to lend a willing ear to the suggestions that return premium practice be curtailed.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 112 W. Adams St., Chicago

As of Sept. 6

Stock	Par	Div. per	Bid	Asked
Aetna Cas.	10	1.60	42	45
Aetna Fire	10	2.00	33	35
Aetna Life	10	...	21	22
Amer. Alliance	10	...	13	15
American, N. J.	2.50	.50	9	11
Amer. Surety	25	...	20	22
Automobile, Conn.	10	1.00	19	22
Baltimore Amer.	2.50	...	3 1/2	4 1/2
Boston	100	16.00	360	375
City of N. Y.	100	...	110	115
Continental Cas.	5	...	10 1/4	11 1/4
Continental Ins.	2.50	1.20	21	23
Fidel.-Phenix	2.50	1.20	21	23
Fireman's Fund	25	3.00	43	44
Fireman's F. Ind.	16 1/2	20
Firemen's	5	.60	9	11
Fire Assn.	10	.80	8	10
Glens Falls	10	1.60	30	32
Globe Rutgers	25	...	133	138
Great Amer. Ind.	1	...	6	8
Great American	5	1.00	15 1/2	16 1/2
Halifax	10	1.20	12	14
Hanover	10	1.60	24	26
Harmonia	10	1.80	11	12
Hartford Fire	10	2.00	40	42
Home, N. Y.	5	1.00	17 1/2	18 1/2
Imp. & Export	25	...	7	10
Ins. Co. of N. A.	10	2.00	37	39
Maryland Cas.	2	...	8	9
Missouri State	10	...	9	10
National Cas.	10	1.20	6	7
National Fire	10	2.00	40	42
National Liberty	2	...	4 1/2	5 1/2
National Surety	10	...	17	19
National Union	20	...	38	42
N. W. National	25	5.00	80	90
Old Line	10	1.50	13	14
Phoenix, Conn.	10	2.00	44	45
Prov. Wash.	10	...	21	23
Public Fire	5	...	1 1/2	2 1/2
Sprgld. F. & M.	25	4.50	68	72
St. Paul F. & M.	25	6.00	104	108
Sun Life	100	15.00	505	530
Travelers	100	16.00	452	458
U. S. Fire	4	1.00	17 1/2	19
U. S. Fid. & G.	2	...	8	9
Westchester	10	...	13	15



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Life Cover Is Big Blue Goose Topic

(CONTINUED FROM PAGE 4)

new granders; Manitoba added 32; New York City 29; Seattle 21; Quebec 20; San Francisco 20; Nebraska 19 and Michigan 19.

Mr. Fellers, in his report, mentioned the change in plans for the grand nest meeting. The idea, he said, originated with Mr. Cherry. It has received the commendation of company executives, he declared. He brought up for discussion the proposal which was first broached in 1930 to have the regional divisions of the Blue Goose correspond to the regional underwriting jurisdictions, eastern, western, southeast and coast.

Mr. Fellers said that he had not traveled extensively for reasons of economy, but recalled that he did visit New York City and Carolina ponds; held a meeting with other grand nest leaders in New Orleans which stimulated activity in that pond and held a meeting of the insurance committee in Jacksonville.

Arizona Pond Installed

Mr. Fellers mentioned the installation of the Arizona pond by J. Charles Harris of San Francisco, past most loyal grand gander. He said a communication had been received from wives of ganders in the Wisconsin home nest, suggesting the creation of a women's auxiliary. Mr. Fellers recommended that action on this proposal be deferred until after "more urgent matters are disposed of."

The meeting opened Wednesday morning with a report of the credentials committee by Mr. Meharter. That was followed by a report on the activities of the various ponds by the delegates. Mr. Fellers' address was next.

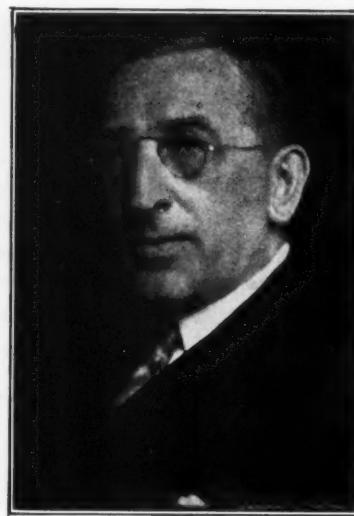
The Wednesday session was closed late in the afternoon and the delegates were taken on a trip through the world's fair grounds. Sessions will be held all day Thursday and there will be a good fellowship dinner that night.

Some of the ponds sent two delegates despite the fact that the expenses of only one are being paid by the grand nest this year. The expenses of the extra delegate are being defrayed by the local pond.

Report of Employment Committee

C. M. Cartwright of THE NATIONAL UNDERWRITER, chairman of the employment committee, in his report stated that during the year each pond had taken primary jurisdiction over unemployment of its own members. The grand nest committee, therefore, acted as a contact committee with companies and other employers. This had been successful, he said. The committee recommended that there be two employment committees, one for Canada and one for the United States, each independent of the other.

Will Preside



JOSEPH W. BARR

Joseph W. Barr of Oil City, Pa., will preside over the group luncheon of agents producing up to \$100,000 in premiums at the annual meeting of the National Association of Insurance Agents in Philadelphia. These are scheduled for Wednesday of convention week.

Furthermore, it was recommended that regional vice-chairmen be appointed over zones in the United States and Canada that would be to a large extent concurrent with the companies' jurisdictional bodies. It was recommended that these vice-chairmen constitute the employment committee. Therefore, each pond would assume primary jurisdiction, but it would have a regional vice-chairman or supervisor conversant with the particular section of the country in which the pond is located. The committee felt that this machinery would therefore function more effectively as the success of securing employment depends largely on intelligent personal knowledge of a man, the companies and possibilities of employment.

Van Schaick Gives Views in Canada

(CONTINUED FROM PAGE 4)

He was of the opinion that in cases of misappropriation of funds by agents, companies usually are responsible through lax methods and overgenerous credit.

He concluded his address by explaining that in New York State all rates are

required to be filed so the department can determine whether or not they are reasonable and adequate. If rate cutting were tolerated the effect would be not only that there would be discrimination in favor of the insured through the privilege of a lower rate, but acquisition cost would be proportionately higher in respect to other insurance. It is essential that all insureds pay the rate which the hazard requires.

A private executive meeting was held to consider details of the standing committee reports, numbers 1 and 2.

Executives and officers of the Western Canada Insurance Underwriters Association gave the superintendents a dinner Tuesday. Thursday, C. C. Ferguson, general manager of the Great West Life, entertained at dinner.

Three Men Are Promoted by Corroon & Reynolds Group

In appreciation of the competent and loyal service rendered by R. R. Wilde, H. J. Thomsen and R. J. Kastner, assistant secretaries of the Corroon & Reynolds group, all three are to be advanced to full secretaryships of the associated companies, the American Equitable, Knickerbocker, New York Fire, Merchants & Manufacturers and Globe & Republic. They are seasoned underwriters, having had both field and office experience. Mr. Wilde, in charge of the western department, started with the North British & Mercantile, attaining the grade of examiner, following which he was appointed Oklahoma state agent. Later he was recalled to the head office as assistant general agent in its western department. He next transferred his allegiance to the Royal Exchange, joining the Corroon & Reynolds group as head of the western division in 1928. Mr. Thomsen, too, began with the North British & Mercantile, serving for a time at the head office and later for several years as special agent in southern Texas. His further advance was to secretary. Leaving the North British, he accepted appointment as supervising underwriter for the Crum & Forster companies, and he joined the Corroon & Reynolds staff four years ago as general agent, with supervision over the eastern territory. Prior to his Corroon & Reynolds association, Mr. Kastner was supervising underwriter for the Svea and the Hudson. Before that in turn he traveled Texas for the Crum & Forster group.

Life Department Is Opened

Frank E. Nelson has been appointed manager of the life department of Youngberg Carlson & Co., Insurance Exchange, Chicago. This is a large general insurance agency which for five years has been general agent for the Midland Mutual Life in Cook County and vicinity.

Mr. Nelson has been connected with Youngberg-Carlson on a brokerage basis for five years, doing mainly a life busi-

ness. The agency heretofore has not been thoroughly organized to sell life insurance, the production mainly coming from Mr. Nelson and the two partners, F. A. Carlson and A. C. Youngberg.

J. H. Perry Is Advanced

J. H. Perry, state agent Globe & Rutgers in New York for the last nine years, has been appointed executive assistant to Vice-President H. E. Bulkley. He will be placed in charge of production. He has been with the company for 32 years, starting in the home office underwriting department and then entering the field.

Superintendents of Canada in Session

(CONTINUED FROM PAGE 5)

form automobile insurance act now in force in British Columbia, Manitoba, Ontario, Nova Scotia, Saskatchewan and New Brunswick. Manitoba secured a new insurance code through codification. Statutes relating to responsibility legislation affecting automobile owners and drivers were adopted by British Columbia and Nova Scotia, and are now in force in British Columbia, Manitoba, Ontario, New Brunswick, Nova Scotia and Prince Edward Island.

He discussed unlicensed insurance. He said millions of dollars annually are paid by Canadians to the underwriters at Lloyds London and foreign carriers generally. The problem is presented of how to reduce the flow of premiums, unlicensed and practically unregulated, to unlicensed insurers. Various expedients have been tried and many of them proved futile or impractical.

Urge Conservative Action

He said the pendulum should not be permitted to swing too far. The Canadians are entitled to insurance facilities afforded by all classes of insurers. One kind of company should not be licensed upon more favorable terms than another. All should bear equivalent burdens and should not be enabled to compete unfairly.

H. G. Garrett of British Columbia presented a report on uniform definitions. A. E. Fisher of Saskatchewan and Henry Brace of Alberta presented a report on fire insurance legislation, taking up deletion of limitation of terms of contracts covering mercantile and manufacturing interests and the advisability of providing for payment of insurance money into courts where garnishees, assignments, orders, etc., are served upon the insurance companies in connection with loss payments, and also a revision of those sections in many acts providing for consolidation of actions; a suggested amendment to clause (b) of statutory condition No. 5; suggested amendment to statutory condition No. 1 by which the word "fraud-

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ulently" would be deleted; classification of occupancy hazards and automatic cancellation of fire policies for nonpayment of premium.

A committee report on credit and free insurance evils was presented by Mr. Dugal. He suggested additional legislation stating the transaction of an agent in collecting a premium from the insured for and on behalf of the insurer is of the nature of a trust fund, with appropriate penalties; requiring that a premium collected by an agent for an insurer shall be remitted to his company not later than the 15th day of the following month, and setting penalties for both provisions.

Messrs. Foster and Garrett presented a report on automobile insurance legislation. A committee report on uniform annual statement blanks was made by Chairman Charles Heath, Manitoba, and Secretary W. K. Colin Campbell of the standing committee on blanks. They asked time for further consideration, authority to approve and recommend for uniform adoption any amendment desired in regard to standard blanks, and to call a special meeting of the committee and representatives of companies for further discussion.

Some Visitors Present

Among the visitors are Attorney Allan E. Brosmith, Travelers; J. P. Bicknell, registrar of motor vehicles; A. H. S. Stead, manager Dominion Board of Fire Underwriters, Montreal; H. L. Kearns, casualty manager Shaw & Begg of Toronto; L. C. Evans, general manager London & Lancashire, Toronto; J. H. King, secretary Canadian Automobile Underwriters Association and Canada Casualty Underwriters Association, Toronto; W. S. Thomson, Toronto, manager Norwich Union; John Wilson of Toronto, automobile superintendent Western Assurance; Paul Horst, general manager Toronto General; Orville Davies, vice-president General Exchange of New York; W. Taylor, Toronto, Canadian manager General Exchange; W. R. Houghton, Canadian manager London & Lancashire; W. E. Baldwin, Canadian manager Continental; John Jenkins, Canadian manager Employers Liability; H. T. Freeman, vice-president Manufacturers Mutual Fire of Providence; J. C. D'Aupieul, secretary Montreal Insurance Brokers Association; Lieut. Col. R. W. Roylance of London, England, chairman non-marine Lloyds underwriters.

Many License Applications Have Not Been Approved

(CONTINUED FROM PAGE 5)

prone to lodge complaints with a view to disqualifying an applicant and the department has taken the position that before action against an applicant is taken he shall be given an opportunity to submit his case. Mr. Hanson expressed the hope that the next session of the legislature will make an adequate appropriation for investigation.

Mr. Hanson expressed the belief that there will be about 10,000 brokers qualifying each year in Illinois.

Fourteen burial societies are now licensed to operate in Illinois, according to Mr. Hanson. During the year three societies have been granted permission to operate.

Casualty Companies

As of June 30, 1932, there were 172 stock casualty companies, 41 mutual casualty, 15 assessment accident and health associations, four assessment life, accident and health companies and 19 reciprocal or inter-insurance exchanges authorized in Illinois. There has been a marked decrease, he said, in the number of assessment accident and health associations and the number of reciprocal or inter-insurance exchanges doing business.

There were 7,540 claims submitted to the claim branch of the depart-

ment from July 1, 1931, to July 1, 1932, as compared with 2,995 in the corresponding period last year. The number of claims closed in the latest period was 3,083 and in the previous period 1,284. The claim branch has no statutory authority to settle claims but attempts to bring about an understanding where there is a disagreement.

There were 137 examinations made from July 1, 1931, to June 30, 1932.

The collections of the department for the year ending June 30, 1932, amounted to \$6,083,970. That is a decrease.

There were eight Illinois stock, 208 stock of other states, 55 foreign, 16 Illinois mutuals, 79 mutuals of other states, three Illinois reciprocals, 18 reciprocals of other states, 235 farm mutual companies under the supervision of the fire branch of the department.

As of June 30, 1932, there were five American Lloyds and one group of underwriters of Lloyds, London, under the supervision of the department.

Paramount Issue in Missouri Suit

(CONTINUED FROM PAGE 5)

regardless of any political consequences to give the companies fair and equitable rates if they are firmly convinced that such rates are justified by the conditions of the business in Missouri. However, on this point it is known by those who have a clear line on the situation in Jefferson City that there isn't any chance for the companies to be allowed to retain the 16½ percent advance in rates they put into effect June 1, 1930.

If the companies are willing to concede without any question the authority of the insurance department to regulate rates and to recognize other rights contended for by Governor Caulfield it may be possible for them to obtain some increase in rates but not as much as 16½ percent. Perhaps as much as 7½ percent would be granted if the state officials feel that the experience of the companies during the five-year period prior to Jan. 1, 1930, justifies such advance.

Wilson Now Has Best Chance

Looking beyond November much depends on what happens at the polls. The candidates for governor are Lieutenant Governor Ed Winter on the Republican ticket and Former State Senator Francis Wilson for the Democratic party. Students of Missouri politics have expressed the belief that at present Wilson has the best chance of winning. But much can happen politically in two months. Perhaps 60 days from now the political situation will be entirely reversed.

Winter has the support of the present administration in his race and it is generally believed that under his leadership there would be little change at Jefferson City so far as insurance is concerned.

See Howell Behind the Throne

On the other hand, the attitude of Wilson toward stock companies is causing much concern. Based on his record as a member of the Missouri senate and his general business reputation there apparently is not much to worry about. But those who always like to borrow trouble and to cross their bridges in advance are growing grey hairs simply because Wilson happened to have the backing of the Democratic chieftains who went down the line for Charles M. Howell in his unsuccessful fight for the Democratic nomination for United States senator. These worrisome ones fear that if Wilson wins "Charley" Howell will again dictate to the Missouri insurance department. But at this stage it is not out of order to observe that Wilson is not the type to permit anyone to dictate to him and if he should win neither Howell nor any other outsider will run the insurance department.



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Need to Get Sales Viewpoint

THE NATIONAL UNDERWRITER has felt for many years that the governing insurance organizations in mapping out an important policy are dominated too much by the what might be termed the actuarial or academic side of the business. Men who revel in figures are apt to be visionary. That is, they witness activities in a Utopia. They see the machinery running in perfect order and do not look far enough to catch the handicaps and influences that throw it out of gear.

After all, insurance is confronted with a very practical and human element. It is something that people buy. Therefore, insurance must be something that they need and that will meet their demands. They desire the contract to conform with the peculiar requirements and they wish the cost to be reasonable.

One of the greatest factors, therefore, governing the successful course of insurance is the great sales organization. The salesmen reflect the view of the insurance buyers. They can very accurately tell what the effect of a proposed procedure will be. They can predict what will be the response. They can tell the administering bodies just where there is something primarily wrong in a program in what is hoped to be accomplished or whether some of the features render it unpopular or impractical.

Too often, in the opinion of THE NATIONAL UNDERWRITER, the agency forces are ignored. That is not as it should be. Statisticians, experts, actuaries, executives, insurance attorneys, as experienced as they may be, are for the most part aloof from the policyholders. They are not out on the firing line selling insurance.

A program is prepared by an organi-

zation of companies. It seems to the executives to be highly desirable, well constructed and carrying weight and conviction. It is sent out to the agents without advance notice, or, if any, very little. Then the defects come to the front. The administrative forces soon get the reaction of the agents and the assured. The mistake was in not consulting the sales forces beforehand. The policy has been to put into effect a program and then thresh out the differences afterward. That is a mistake that is fatal, but it is one that is often followed. The issues should be threshed out before the program goes to the public. The changes should be made before the buyers get the program.

Take for example the recent promulgation of increased workmen's compensation rates. No one with any intelligence who studies statistics and experience could deny that the companies should have an increase in rate. All logic, all argument was in their favor. The experience of the companies spoke for itself. The record needed no eloquence nor persuasive tongue. When, however, the program included applying the rate increase to existing policies, the fur was rubbed the wrong way. The insurance buying public resented it and resented it bitterly. It was just such a measure as would antagonize policyholders. With all the merit that it had, with the idea that the companies had in mind putting all policyholders on the same level and therefore showing no discrimination, the project was a blunder. It could have been avoided had a few leading, thinking, fair minded sales representatives been called in.

It is mistakes of this kind that create friction and engender suspicion and re-

sentment. The public was irritated and provoked at the effort to increase the premium after the policy was in force and paid for. The agents were asked to conduct a campaign that would bring great embarrassment and perhaps loss to them. The gain that the companies hoped to make has been offset by the prejudice that has been engendered.

It is mistakes of this kind that should be avoided. Insurance has a difficult time to justify itself in some ways with the public. The natural impulse of the buyer is to be very suspicious of an increase in price at a time when commodity prices are down. Insurance leaders need to cultivate what might be termed political sense and the sagacity to look into the public mind and ascertain what the reaction will be. In other words, let insurance people put themselves in the position of the policyholder. That has not been done in many

cases. Insurance has put itself in the place of the rate maker, the technician, the mobilizer of statistics, the theorist. A dozen high grade, high minded insurance salesmen brought to headquarters could easily present the response of insurance buyers to any program of moment.

The insurance business should not be one-sided. Those who sell it have just as much interest as those who administer it. Those who earn their income from it by selling it are just as honest and sincere as those who are paid salaries and are so-called company men. There should be a conference of the sales forces with the administrative circle before any drastic change is made.

"JIM" CASE is right. "Conference, Co-operation and Conciliation" constitute a trinity of forces which, if brought into play, would rub down business angularities.

PERSONAL SIDE OF BUSINESS

Carl V. Nipp, Indiana state agent of the Continental, made a hole in one on the South Grove golf course at Indianapolis last week. It was at hole No. 11 which is 142 yards. He was playing in a "five-some," the other players being Roy E. Chapman and William Davies, both of the Fidelity & Casualty; M. H. Cravens of the inland marine department of the America Fore group and Kenneth Dunkin, special agent of the Niagara.

William P. Barter, head of the Newark office of the Home of New York, died at his home in Verona, N. J., at the age of 57 after an illness of three months. He had been connected with the Home 39 years, for 15 years having been a staff adjuster for northern New Jersey. He was a director of the Verona Trust Company and the Verona Building & Loan Association and for many years had been an office holder of the borough of Verona.

M. E. Faust of Los Angeles, delegate to the Blue Goose grand nest meeting in Chicago, will not return to the coast for about a month. He plans to visit his old home near Mansfield, O. He has not been in Chicago since 1892.

Aubrey A. Naef, Seattle manager for Seeley & Co., who is an active member of the Washington pond, has named his power cruiser "Blue Goose." He is now cruising in British Columbia waters.

Chauncey S. S. Miller, III, who arrived in Chicago Sept. 1 at the home of Chauncey S. S. Miller, II, of Green, Whitney & Miller, well known Chicago adjusters, radiogrammed to Chauncey S. S. Miller, first and foremost, who was returning home from Europe on the Majestic to New York City, his felicitations, good wishes and promise to maintain the family dignity and uphold the family tree in its pristine virtue and excellence. Grandfather Miller radiogrammed back to Chauncey III telling him that a fine bottle of moselle had been opened in his honor in the hope that his life would sparkle with happiness and good cheer.

W. E. Silliman, Camden, Ark., president of the Arkansas Association of Insurance Agents, has been appointed by C. H. Hatton of Wichita, president of Lions International, who is also an insurance man, as governor of the district comprising the south half of Arkansas. Mr. Silliman is serving his second term as president of the Arkansas association.

Commissioner **Charles F. Hobbs** won the Republican nomination for a third

term as insurance commissioner of Kansas with a plurality of 42,056 over his nearest opponent. **Frank L. Britton** won the Democratic nomination. There were four candidates for the Republican and three for the Democratic nomination. Mr. Hobbs made a runaway race, polling a larger plurality than two of the candidates got in total vote.

Sam E. Giles, vice-president of Shea & McCord, Kansas City, Mo., is reported by physicians to be recovering satisfactorily from a fractured spine, severe bruises and abrasions of the face which he suffered when he was thrown from his horse on the steeplechase course of the Mission Valley Hunt Club.

Herbert Cobb Stebbins, Denver, member of Cobb & Stebbins, general agents, will attend the annual meeting of the Western Underwriters Association at Manchester and the executive committee meeting of the American Association of Insurance General Agents which will be held at Philadelphia during the annual meeting of the National Association of Insurance Agents.

A. H. Alexander, most loyal gander of the Iowa Blue Goose, is having a strenuous week of insurance meetings. He is in Chicago as a delegate to the Blue Goose grand nest meeting. He will leave after the banquet Thursday evening for Des Moines where he will address the convention of the Iowa Association of Insurance Agents. He is state agent for the St. Paul F. & M.

A 12-man golf team representing the Seattle Blue Goose defeated a British Columbia Blue Goose team in Vancouver in the second match of a series for the **A. Z. De Long memorial cup**. The first match, which was played in Seattle, a month ago, was won by British Columbia. The third and final match will probably be held near a neutral city. C. R. Harold of the Fire Companies Adjustment Bureau headed the Seattle team while H. B. Leuty, provincial manager for the Atlas and Essex & Suffolk Equitable, was leader of the Canadians.

After the play there was a dinner at which Thomas Paradis was toastmaster.

Henry T. Lindholm of the Western Actuarial Bureau, who towers some seven feet or more in his stocking feet, took out his mashie at the Rolling Green Golf Club near Chicago on Labor Day and proceeded to qualify for the hole in one club. He made the record on a 145 yard hole. Life, to Mr. Lindholm, is not all rates.

POLICY PETE: THE FOURFLUSHER

DEAR PETE:
CAN YOU GIVE US
THE LOW-DOWN ON THE
COLLECTION OF BALANCES.

VERY TRULY YOURS

J. M. M.
STATE AGENT



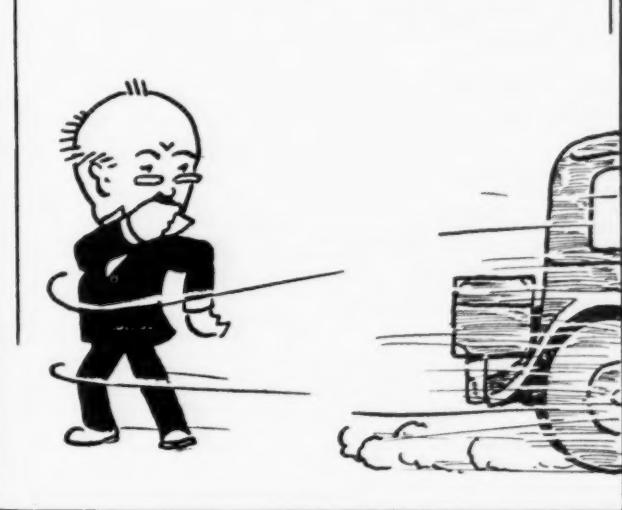
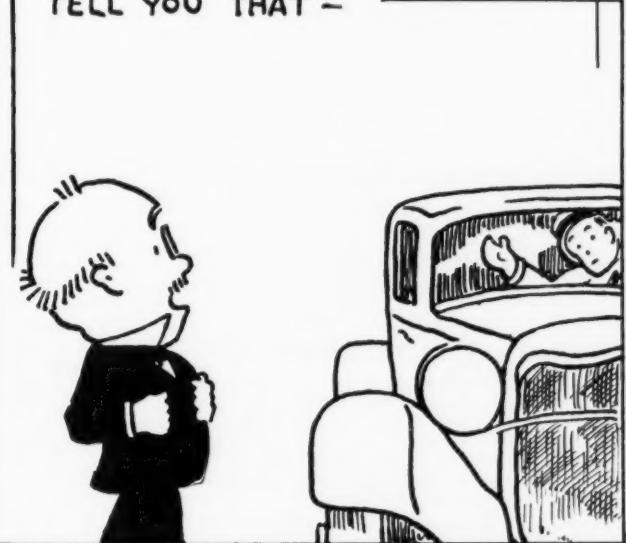
DEAR SIR:
ONE OF THE BIGGEST REASONS
FOR SLOW COLLECTIONS IS
BECAUSE SO MANY PEOPLE
WORK ON THE PRINCIPLE OF
THE MAN WHO-



DRIVES DOWN TO
SEE YOU IN HIS
\$ 2500. CAR TO
TELL YOU THAT -

COLLECTION letters can
either be a great asset
or a tremendous liability.
Collection stickers and
letters skillfully prepared
are available for agents of
"The Home of New York."

HE CAN'T SEE HIS
WAY CLEAR TO
PAY THAT \$20.00
BILL JUST NOW.



THE HOME INSURANCE COMPANY NEW YORK
59 MAIDEN LANE ORGANIZED 1853 NEW YORK, N. Y.

Strength

« »

Reputation

« »

Service

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Cleveland Citizens to Report

Recommendations Aimed to Maintain Insurance Rating of City Are Nearly Ready

Mayor Miller's committee of citizens at Cleveland, appointed to investigate the possibility of rehabilitation of the city fire department in order to maintain its present insurance rating, has prepared its recommendations and will submit them to the National Board.

Among the suggestions are that the west side should be connected with the high pressure water system; that four new stations should be erected; that a five year program of water main extensions should be undertaken; that firemen should be relieved of all outside details such as school traffic duty.

Other recommendations are that a drill ground and training tower should be provided for firemen; new fire alarms should be installed wherever necessary; greater use should be made of high pressure water mains by a system of reducing pressure valves. By elimination of the meal hour, according to the committee, the shortage of firemen could be greatly reduced.

The committee advocates the purchase of a small, fast fire boat and disapproves of the plan to recondition two old boats which were withdrawn from service this year.

The cost of new equipment needed immediately is estimated at \$212,000, and of later purchases at \$102,000.

Vacancy Rules Interpreted

Cincinnati Fire Underwriters Association Gives Information as to Recently Adopted Regulations

The new vacancy and unoccupancy rules in Ohio are the only ones in the new rule book which will call for more work and attention on the part of the agent. It will be necessary for the agent to endorse the policy where vacancy is to result in a reduction of one-fourth in the amount of insurance coverage. In some cases, it is believed that property owners may arrange for limited occupancy in a way to bring about an interpretation that the properties are not entirely unoccupied.

A resume of the new rules on vacancy and unoccupancy as sent out by the Cincinnati Fire Underwriters Association follows:

1. The unlimited vacancy privilege for which there was previously a charge of 2-4-8 cents has been withdrawn.

2. The new vacancy and unoccupancy rules suspend one-fourth of the insurance during vacancy of property located in Classes 9 and 10 and in unprotected localities.

3. The charge for vacancy and unoccupancy in connection with dwellings under all classes of public fire protection has been removed but the new vacancy or unoccupancy Permit No. 2 must be attached when such dwellings are vacant for a period exceeding 60 days at any one time, or are unoccupied for a period exceeding six months at any one time, and during the period of such vacancy or unoccupancy one-fourth of the amount of insurance shall be and remain suspended and of no effect and in case of loss the company shall not be liable for more than three-fourths of the amount of insurance on each item.

4. The charges for vacancy on mercantile property under public fire pro-

tection have been increased 50 percent and have been extended to include manufacturing and warehouse buildings.

5. When mercantile, manufacturing or warehouse buildings of fireproof construction are vacant for a period longer than 60 days at any one time, the new vacancy or unoccupancy Permit No. 1 must be attached to policy without charge but the period of vacancy must be specified.

6. When mercantile, manufacturing or warehouse buildings of other than fireproof construction and located in cities and towns of Classes 9 and 10, or in unprotected localities within protected towns or outside the corporate limits of cities and towns of Classes 1 to 8 inclusive, or in country districts are vacant for more than 60 days, vacancy or unoccupancy Permit No. 2 must be attached and the amount of insurance is reduced one-fourth.

Depreciation Reserve of Ohio Companies Taxable

The Ohio attorney-general has held that the so-called depreciation reserves being set up by many companies must be entered as part of surplus in calculating the 5 mill assessment on capital and surplus of domestic companies. Under the revision of the tax setup, which was effected at the last session of the Ohio legislature, Ohio companies were taxed on their net assets and the attorney-general apparently does not consider the contingent reserve for security depreciation as a proper deduction.

Bureau Offers New Service

COLUMBUS, O., Sept. 7.—R. B. Criswell of the Ohio Inspection Bureau has been put in charge of a new service which involves the drilling and training of members of fire departments. It is an outgrowth of the fire schools which have been held at Ohio State University. He has asked local agents who see opportunities for his services to notify him.

H. J. Manning, representing the Ohio Fire Prevention Association and the Ohio Inspection Bureau, has completed the program for the next fire school at the university here Sept. 19-23. Speakers will include T. Alfred Fleming and E. L. Donovan, National Board; T. Z. Franklin, Automobile of Hartford; James E. Granger, Cleveland fire chief; E. J. Ader, Cincinnati, Underwriters Salvage Corps; N. D. Sherwood, Automatic Sprinkler Corporation, Cleveland; Fire Marshal H. C. Williams, Cincinnati; A. C. Guy, Western Adjustment, Columbus; H. M. Havens, chief engi-

Cincinnati Agent Chief Factor in New Practice



WILLIAM A. EARLS

W. A. Earls of the Earls-Blain Company of Cincinnati, well known local agent, is receiving congratulations because of the success of his campaign to get the Ohio Inspection Bureau to adopt a rule prohibiting as far as possible cancellation of policies pro rata for numerous minor changes. In other words, Mr. Earls is in favor of having a policy remain as it is while it is in force and any decrease in rate to go into effect on renewal. He is a former president of the Cincinnati Fire Underwriters Association and is prominent in many activities in his city.

near Seagrave Corporation, Columbus; Chief C. A. Delaney, Lakewood; F. O. Evertz, Ohio Inspection Bureau, and several members of the university faculty.

Norwood to Be Inspected

The Ohio Fire Prevention Association inspects Norwood Oct. 6. Ralph Hukill and E. A. Winter of Cincinnati are the advance contact committee. The Norwood Merchants Association is cooperating.

Advances Can't Be Deducted

The Ohio attorney general holds that moneys advanced to a domestic fire mutual by its directors, officers or members are not actual liabilities of the company and the amount of such advances may not be deducted in determining its surplus for purposes of taxation.

CENTRAL WESTERN STATES

Battle Creek Surveys Cover

Inadequate Protection on City Buildings Found—Blanket Form Distributed Among Agents Recommended

BATTLE CREEK, MICH., Sept. 7.—Battle Creek is apparently bestirring itself to place its municipal fire insurance on a sound basis after long neglect. The city commission some time ago authorized a survey of city insurance by an engineer for the Springfield Fire & Marine, whose report reveals an astounding condition. On the basis of his work, a

committee of commissioners and the city clerk has been named to recommend how much additional coverage shall be placed and in what form.

The investigating engineer found that only \$5,000 fire coverage was carried on the city hall building, which includes the fire department headquarters, with an additional \$5,000 on contents. This situation was allowed to exist in the face of the fact that there are still \$90,000 worth of city hall bonds unretired.

There has apparently been no system in regard to handling the municipal insurance and the engineer recommends that all buildings be insured under a

blanket form, the entire coverage being divided, if so ordered, between various agencies. The rate paid on the city hall has been \$1.72 on the building and \$4.32 on contents. A coinsurance plan, it was suggested, would give greater protection at commensurately less cost.

Brown Business Club Speaker

DETROIT, Sept. 7.—George Brown, executive secretary of the Michigan Association of Insurance Agents, president of the Accident & Health Managers Club of Detroit and candidate for the state legislature, addressed the Detroit chapter of the American Business Club on "Politics and the Voting Privilege."

R. E. Weadock to Manage Agency

SAGINAW, MICH., Sept. 7.—The local agency founded and developed by the late G. Leo Weadock, former president Michigan Association of Insurance Agents, who died a few months ago, is to be managed by a younger brother, Robert E. Weadock, it was announced this week. Several sons of Mr. Weadock have been operating the business since their father's death.

The new manager comes to Saginaw from Omaha, Neb., where he has been a field man for the North America, having served as supervisor for marine lines and special agent for fire and automobile lines. He left the Columbia University law school a few years ago to go with the company, entering its training school at Philadelphia. Later he was sent to Chicago and St. Louis in field capacities before his transfer to Omaha.

King Joins Ten Broek Agency

N. A. King, who recently retired as manager of the Grand Rapids, Mich., office of the Western Adjustment, after serving in that capacity for 11 years, has joined the insurance agency of H. W. Ten Broek & Sons in that city. He will serve the agency in various capacities, paying particular attention to appraisals, estimating values, formulating coverage, etc. Mr. King was formerly an Iowa insurance man before going to Grand Rapids.

Illinois Marshal's Report

SPRINGFIELD, ILL., Sept. 7.—There were 17,279 fires in Illinois in the fiscal year just ended, according to S. L. Legried, state fire marshal, with losses aggregating \$15,809,381. The total loss, however, is \$6,006,608 less than the preceding year. Fifty-three cases of incendiaryism were investigated and convictions secured, with sentences of from one to 50 years. Nearly 40 per cent of the fires were in residences.

Explain Rules to Office Employees

LANSING, MICH., Sept. 7.—Forecasting a successful year, the Lansing Association of Insurance Agents launched its fall season last week with a dinner meeting of unusual value, featured by an explanation of the recent fire manual changes. The office forces of members also attended.

Those explaining the modifications in rules were: Clyde B. Smith, former president National Association of Insurance Agents; Charles Fratcher, Fratcher Agency; Hazen Hafer, Dyer-Jenison-Barry Company, and A. A. Smith. It is the belief of the local board's officers that this method of instructing the office help in manual changes is much superior to a mere reading of the modifications by the employees. The office workers, whose knowledge of the manual is most necessary, expressed themselves as obtaining a clarified knowledge of it through the explanations given. It is planned to conduct a similar session in October.

LOYALTY GROUP

JANUARY 1, 1932 STATEMENTS

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W. E. WOLLAEGER, Vice Pres.	HERMAN AMBOS, Vice-Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$18,795,380.00

ORGANIZED 1855

SURPLUS TO
POLICYHOLDERS

\$32,306,202.99

NEAL BASSETT, Chairman of Board
HENRY M. GRATZ, President

JOHN R. COONEY, Vice-Pres.	ARCHIBALD KEMP, Vice Pres.	HERBERT A. CLARK, Vice Pres.	H. R. M. SMITH, Vice Pres.
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WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

ORGANIZED 1853

\$ 2,034,545.17

NEAL BASSETT, President

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WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

ORGANIZED 1854

\$ 1,226,248.02

NEAL BASSETT, President

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WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

ORGANIZED 1866

\$ 1,563,520.84

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W. E. WOLLAEGER, Vice-Pres.	HERMAN AMBOS, Vice-Pres.	E. G. POTTER, 2d V.-Pres.	W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

ORGANIZED 1871

\$ 1,603,338.23

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WALTER J. SCHMIDT, 2d V.-Pres.	T. LEE TRIMBLE, 2d V.-Pres.		OLIN BROOKS, 2d V.-Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

ORGANIZED 1870

\$ 1,751,660.54

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THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

ORGANIZED 1856

\$ 511,958.09

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice-President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

ORGANIZED 1905

\$ 137,264.60

NEAL BASSETT, President

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MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

ORGANIZED 1852

\$ 4,967,756.04

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THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

\$ 1,000,000.00

ORGANIZED 1874

\$ 2,009,866.67

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COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

ORGANIZED 1909

\$ 1,814,648.30

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H. R. M. SMITH, Vice President
JAMES SMITH, Secretary

EASTERN DEPARTMENT
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PACIFIC DEPARTMENT
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MASSIE & RENWICK, Ltd., Managers

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LOYAL TO PRINCIPLE -- TO LOYAL AGENTS, LOYAL

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OPENS A NATION-WIDE CAMPAIGN

In Support of

FIRE AND ACCIDENT PREVENTION ACTIVITIES

POSTAL TELEGRAPH is interested in every movement which promises to help the insurance man. With every other organization in the country, it is also interested in every effort to reduce the toll of life and limb and property that is taken annually by American highway accidents.

And so, throughout the country, in thousands of Postal Telegraph windows having an estimated daily circulation value of several millions, Postal Telegraph will display a striking series of lithographed posters urging the benefits of safety on the highways.

First of the series, sponsored by the National Asso-

ciation of Insurance Agents and featuring "Famous Insurers of History," is the dramatic poster illustrated on the opposite page. It states the important position of the insurance agent in our national economic life. It urges CARE . . . EFFICIENCY . . . SECURITY. Thus does Postal Telegraph link the insurance man with safety. Thus does it *sell both*.

Constant and nation-wide publicity is needed, first: to cut down the loss of lives, the injuries to people and the destruction of property caused by highway accidents, and second: to reduce eventually the cost of insurance protection.

Postal Telegraph Helps To Provide This Publicity

Insurance men and millions of insurance prospects noticed this safety poster, sponsored by the National Association of Insurance Agents, which was displayed in Postal Telegraph windows from coast to coast during August. Watch for succeeding posters in this series. • Postal Telegraph believes in advertising the businesses of those who use Postal Telegraph, feeling that in a very real sense Postal Telegraph is in partnership with every business enterprise in the United States. • Postal Telegraph wishes to thank the National Association of Insurance Agents for its generous cooperation in assuring this poster.



Postal Telegraph is the only American telegraph company that offers a world-wide service of coordinated record communications under a single management. Through the great International System of which Postal Telegraph is a part, it reaches Europe, Asia, the Orient over Commercial Cables; Central America, South America and the West Indies over all America Cables; and ships at sea via Mackay Radio.

FAMOUS INSURERS of HISTORY

REG. U.S. PAT. OFF.

WHEN the dark pirates of North Africa threatened the struggling commerce of our young nation, Stephen Decatur with his "Iron Men in Wooden Ships" smashed Tripoli and drove the pirates from the seas. By this victory Decatur made possible the building of our merchant marine, and INSURED the development of the nation's commerce.

And today, the insurance agent plays an important part in the commerce of the country. He it is, who arranges protection of vital importance and INSURES the stability of credit through sound insurance guarantees.

Realizing the huge economic loss of two billions of dollars caused by automobile accidents; he has joined the nation-wide campaign to teach safety on streets and highways.

**Carelessness Causes Accidents
BE CAREFUL!
BE EFFICIENT! BE SECURE!**

This is the 1st of a Series of Safety Posters and is Sponsored by the
**NATIONAL ASSOCIATION
OF INSURANCE AGENTS**

THE INTERNATIONAL SYSTEM

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To Secure Additional Copies

Agents or local boards, wishing to identify themselves with the nation-wide safety movement and benefit fully from this good-will publicity, may secure additional copies of this poster at the nominal price of 60 cents each, or two for one dollar, delivered postage prepaid. Address C. B. Allsop, Vice-President, Postal Telegraph-Cable Company, 67 Broad St.; or Famous Advertising, Inc., 521 Fifth Ave., New York City.

THE INTERNATIONAL SYSTEM**Postal Telegraph**Commercial
CablesAll America
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Monarch Fire Insurance Co.

CLEVELAND, OHIO

RALPH RAWLINGS, President

Capital \$1,000,000

FIRE INLAND MARINE AUTOMOBILE TORNADO

1794 1932

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Annual Statement January 1, 1932

Reserve for Unearned Premiums	\$2,082,507.62
Reserve for Losses, etc.	678,921.47
Reserve for Security Values.....	1,500,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,204,994.67

TOTAL ASSETS \$6,466,423.76

SURPLUS TO POLICYHOLDERS \$2,204,994.67

**Acquire
THE "OLD STATE OF PENN"**

STATES OF THE NORTHWEST

Discuss Federation Program

Wisconsin Activities to Be Reviewed at Luncheon in Milwaukee—May Drop Insurance Day Program

MILWAUKEE, Sept. 7.—Officers and members of the executive committee of the Insurance Federation of Wisconsin will meet at a luncheon here Sept. 12, at which H. S. Ives, special counsel Association of Casualty & Surety Executives, will be the guest of honor. Mr. Ives will come to Milwaukee from Des Moines, where he and W. B. Calhoun of Milwaukee, president of the National Association of Insurance Agents, will speak before the Iowa Association of Insurance Agents Sept. 9-10.

At the meeting here plans for a program of legislative, organization, membership and other activity in Wisconsin by the federation will be discussed. The federation recently conducted a state-wide survey of all candidates for the state senate and assembly, to determine their views on current insurance questions. The federation intends to give its non-partisan support to those candidates whose views on insurance questions indicate that they would not support legislation which would be dangerously detrimental to the insurance business and not to the best interests of the general public.

It is considered likely that there will be no formal program for an Insurance Day observance in Wisconsin this year.

This observance has for five years been held in connection with the annual meeting of the federation in October. It is planned, however, to set aside an Insurance Day, have the governor issue a proclamation and bring the event to the attention of the public. The federation will be represented on the program of the Wisconsin Association of Insurance Agents convention in Madison Oct. 7. Last year the two organizations met on consecutive days in Milwaukee.

Chiefs Hear Insurance Speakers

SHEBOYGAN, WIS., Sept. 7.—Fire prevention and fire-fighting will be discussed by insurance and allied interests at the annual convention of the Wisconsin Association of Fire Chiefs here Sept. 8-9. Speakers will include Victor Rutter, engineer of the Fire Insurance Rating Bureau of Wisconsin; C. R. James, special agent Aetna and secretary of the Wisconsin Fire Prevention Association; Peter Steinkellner, Milwaukee fire chief; F. R. Daniel, chief engineer Fire Insurance Rating Bureau, and Judge J. E. Florin, superintendent of fire prevention, Wisconsin industrial commission.

Wisconsin Mutual's Meeting

The Wisconsin State Association of Mutual Insurance Companies will hold its annual meeting in Milwaukee Sept. 21-22. T. R. Schmidt, Kewaskum, secretary of the Kewaskum Limited Mutual, is secretary of the association. H. L. Weihbrecht, Badger Mutual Fire, Milwaukee, is chairman of the local convention committee.

IN THE MISSOURI VALLEY

All Set for Iowa Meeting

President Ford of Agents Association Predicts an Attendance of 400 at Convention

President Chester E. Ford of the Iowa Association of Insurance Agents, which will hold its annual meeting at the Kirkwood hotel in Des Moines Friday and Saturday of this week, announces that the membership Sept. 3 was 302. President Ford expects from 25 to 40 non-members to join at the annual meeting as a number of outsiders are expected to be present. On Aug. 31 the association mailed 1,200 programs and promotional literature to every live agent in the state. President Ford anticipates an attendance of 400 at the meeting and 500 at the banquet. President Dan N. McEniry of the Des Moines Underwriters' Association will be the official local host.

Mutual Syndicate Starting Operations for Iowa Lines

The Mutual Fire Underwriters has been incorporated to represent a number of mutual companies in Iowa. It has its offices with the Iowa Mutual Liability at Cedar Rapids. The companies in the group are the Preferred Class Mutual of Cedar Rapids, Grain Dealers National Mutual of Indianapolis, Millers Mutual Fire of Harrisburg, Pa., Millers Mutual Fire of Fort Worth, Tex., and Western Millers Mutual of Kansas City. The group will write at board rates and expects to pay dividends of 20 percent to policyholders. All business will be done through agents.

Files Suit for Accounting

The General Indemnity has filed suit at Mason City, Ia., asking an accounting

from 12 companies, named as defendants, who it is charged seized the assets of the Norris & Irons agency, Mason City, in payment for premiums due.

The companies named are the Automobile, Fireman's Fund, Merchants & Manufacturers, New York Underwriters, Norwich Union, Phoenix, Queen, Svea, Public Indemnity, Retailers Fire and Transcontinental.

The General Indemnity asks judgment for \$4,305 from Norris & Irons and T. J. Bracken, who purchased the business.

More Casualty, Fewer Fire Carriers

LINCOLN, NEB., Sept. 7.—Figures compiled by Commissioner Herdman show 307 fire companies licensed July 1, 30 fewer fire companies than on Jan. 1, 1931; 21 more quit the field in 1931 than were entered and nine more the first of 1932. In 1931 the number of casualty companies increased by 35 the first half of 1932, 13 companies quit and 15 entered the state.

New Alarm System in Lincoln

LINCOLN, NEB., Sept. 7.—The city of Lincoln has installed a modern telephone alarm system in fire department headquarters. Special lines run to the other six fire stations. To insure uninterrupted communication three lines, one of them running through the telephone exchange, are in service.

Sioux City Board Elects

SIOUX CITY, IOWA, Sept. 7.—At the annual meeting of the Sioux City Fire & Casualty Underwriters, J. Watt Woodridge was elected president; James H. Whittemore, vice-president and Gilbert Guiney, secretary-treasurer. The first two operate their agencies under their own names and Mr. Guiney operates the Peters-Guiney Agency, of

which his father, H. P. Guiney, has long been at the head. The executive committee members are Fred W. Colvin, Hal B. Clark and W. C. Wolle. A convention committee was appointed and the outlook seems to be for a large attendance from Sioux City at the state convention in Des Moines. The Sioux City Board presented the state convention attendance trophy last year and the members are hopeful of getting it back this year.

Condemn Auto Club Action

LINCOLN, NEB., Sept. 7.—The Lincoln Fire, Casualty & Surety Company Association has passed a resolution condemning the action of the Lincoln Automobile Club in offering to write various forms of motor vehicle through a licensed insurance agency, and will take the matter up with the home office of the company involved, in an effort to eliminate this form of competition, which is declared to be unfair and not within the province of an automobile club.

Extend School Insurance Time

DES MOINES, Sept. 7.—The Des Moines independent school district has been granted 90 days from Aug. 6 in which to renew \$1,163,400 fire insurance covering school buildings in the city and representing approximately one-third of the total insurance. Bids are in from 37 firms and are being handled by G. L. Garton, secretary, and J. I. Petty, chairman of a special insurance committee.

A previous extension was granted at the date of expiration of the insurance. The second extension was requested following the decision of the school board to employ C. A. Gibson to examine the schools and the insurance carried.

Omaha Blue Goose Active

OMAHA, Sept. 7.—The first Blue Goose luncheon of the 1932-33 season will be held at noon Sept. 12. Regular luncheons will be held through the winter. S. L. Gardner of Morrison & Clark is most loyal gander and L. H. Bridges, Home of New York, wielder.

Can Not Use Three-Fourths Clause

A three-fourths value clause may not be incorporated in the standard fire policy used in Minnesota, Assistant Attorney General Gurnee has ruled in an opinion to Commissioner G. W. Brown.

The proposed clause was submitted to Mr. Brown for approval by the General Inspection Bureau. Before acting on the matter, Mr. Brown sought a ruling from the attorney general's office.

Mr. Gurnee said there was no statutory provision authorizing the use of a three-fourths value clause under which the insurer would not be liable for more than three-fourths of the actual cash

Official to Speak at Iowa Agents' Meeting



E. W. CLARK

Insurance Commissioner E. W. Clark of Iowa will be one of the speakers before the annual meeting of the Iowa Association of Insurance Agents, held this week. He is held in high esteem in his state.

value of the insured property at the time of a loss.

Omaha Agents' Luncheons

OMAHA, Sept. 7.—The Omaha Association of Insurance Agents has again decided to hold weekly get-together luncheons, the first to be held tomorrow. Guy H. Cramer, secretary, states these meetings will be held every Thursday through the winter. J. H. Friedel of the Harry Koch Co. is president.

Iowa Notes

J. L. Jarrett, Marshalltown, Ia., has sold his agency to Harold M. Balch & Co. F. W. Nelson has purchased the M. D. Cartwright agency, Boone, Ia.

Jay Lory, Rockwell City, Ia., has taken over the agency of Bert Griffith.

O. W. Smith, Hopkinton, Ia., has sold his fire insurance agency to J. W. Greenley, Manchester, Ia. Mr. Smith will continue his automobile insurance and real estate business.

The partnership of Cunningham & Lacy, Algona, Ia., has been dissolved. A. L. Cunningham has taken over the interests of H. J. Lacy, but the business will continue under the firm name.

STATES OF THE SOUTHWEST

Executive Committee Named

Includes Chairmen of All Committees of Oklahoma Fire Prevention Association

OKLAHOMA CITY, Sept. 7.—Secretary Will S. Eberle has announced the appointment of the Oklahoma State Fire Prevention Association's executive committee, the members of which will each have charge of a committee. The members and their committees are W. S. Bizzell, Oklahoma Inspection Bureau, interchamber fire waste; John Benson, New York Underwriters, public relations and contests; R. E. L. Mugg, Home, educational; F. C. Newcomer, Cotton Exchange, speakers; W. H. McCoy, Fireman's Fund, public building, and A. D. Sills, America Fore, farm. President Carl Lund, Fidelity-Phenix,

Vice-President Herbert Lininger, Springfield, and Secretary-Treasurer Eberle are also on the executive committee. The executive committee will meet Sept. 12 and the association's activities will be launched with an inspection at Claremore some time this month.

New Oil Development Seen

OKLAHOMA CITY, Sept. 7.—Further possible oil well encroachment on residence sections of Oklahoma City looms from a new angle, with the leasing by the state land commission of 400 acres of school land northwest of Nichols Hills, a fashionable residence district. The area was leased to the Gypsy Oil Company, Sinclair Oil Company and Carter Oil Company for oil and gas development. The closest lease to any residence in Nichols Hills is at least a mile, and unless other leases are granted in areas closer to that section,



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no injury to the addition is foreseen by G. A. Nichols, developer of the district. Mr. Nichols added that no action to prevent oil drilling was contemplated by the incorporated town of Nichols Hills, which adjoins Oklahoma City on the northwest.

San Antonio Key Rate Cut

AUSTIN, TEX., Sept. 7.—The key rate of San Antonio has been reduced from 13 to 9 cents. This is the lowest key rate in Texas. El Paso formerly held the record with 10 cents.

San Antonio was formerly penalized because it was claimed that more than

40 percent of the roofs in the city were shingle. A count of roofs showed only 38 per cent of them were in that class. The reduction will save property owners of San Antonio \$65,000 to \$70,000 yearly.

Interest From Denial of Liability

Interest on a judgment against the insurer should be allowed from the date of denial and repudiation of liability rather than from the date of occurrence of the fire, according to the Texas supreme court in Central Federal Fire vs. Lewis et al.

IN THE SOUTHERN STATES

Loss Bureau Shows Saving

Southeastern Department of Fire Companies Adjustment Bureau Holds Down Many Items

Summarizing activities of the southeastern department of the Fire Companies Adjustment Bureau, Manager B. K. Clapp of Atlanta reports that the first seven months this year the branch handled 1,713 more losses than in the same period of 1931, without any increase in adjusting staff and with a more limited clerical force.

Further interesting comparisons reveal the following decreases for the 1932 season: In paid losses, \$4,882,616; average loss settlement, \$396; expert and legal service charges, \$14,990; traveling expenses of adjusters, \$17,204; gross expenditures, \$27,616; service charge per loss, \$1.15; total cost per loss to companies, \$4.46.

These figures should and doubtless will prove highly gratifying to member companies, indicating what can be accomplished under uniform and competent administration, and fully justify the contention of company officials, voiced for years, that there was a fertile field for improvement in handling claims, a sentiment that crystallized in launching the Fire Companies Adjustment Bureau early in 1931, with G. W. Lilly as manager and W. E. Hill assistant manager.

The southeastern department, in addition to handling straight fire losses, is fully equipped to adjust automobile, inland marine and aviation claims, having expert men in these divisions.

To Install Chattanooga Officers

New officers of the Chattanooga Insurance Exchange, headed by Hugh Huffaker as president, will be installed at the next meeting, Sept. 21. The other new officers are W. S. Keese, Jr., vice-president; H. F. Wenning, secretary; W. C. Thatcher, Jr., treasurer; C. G. Walline, J. W. Oliphant, J. M. Kemo, James B. Irvine and F. L. Gates, directors. C. G. Walline is the retiring president.

Regional Meeting in New Orleans

NEW ORLEANS, Sept. 7.—The Louisiana Insurance Society will hold the first of its five regional meetings in this city Oct. 11. This meeting will be followed by four meetings at various points in the states, the dates to be announced by Manager John D. Saint later.

Try to Hold Home Responsible

LOUISVILLE, Sept. 7.—Booker & Kinnaird, local agents, filed suit in the federal court against the Home of New York to recover \$24,922. The petition set forth that the agency had a certificate of deposit representing money on deposit with the defunct Bank of Tennessee (a Caldwell institution) at Nashville, and a bond issued by Southern Surety guaranteeing payment of the deposit. Following closing of the bank and failure of the Southern Surety to

make good, suit was filed against Southern Surety and judgment secured. It later developed that its affairs had been taken over by the New York insurance department and judgment was returned with notation "No property found." In the suit against the Home plaintiffs charge that the Southern Surety was owned by them. The Home did not own the Southern Surety. Its stock was controlled by the Home Securities Co. The opinion is that the Home can not be held accountable in any way.

Gandy Heads Large Delegation

BIRMINGHAM, ALA., Sept. 7.—Charles L. Gandy, chairman executive committee National Association of Insurance Agents, will lead a large Alabama delegation to the national convention in Philadelphia this month. Others who will attend include W. W. Croom, president Alabama association; Arthur Mead and J. A. Duckworth, past presidents; Sylvain Baum, chairman legislative committee; Enoch Morris, secretary-treasurer, and Anglin White, president Birmingham association. The feminine contingent will include Mrs. Gandy, Mrs. White, Mrs. Mead and Mrs. Morris.

New Louisiana Tax in Effect

NEW ORLEANS, Sept. 7.—The new state tax went into effect Sept. 1 and will be collected by the secretary of state. Insurance taxes are now yielding about \$500,000 a year and it is estimated the new taxes will yield about \$900,000. The new rate is 2 per cent on fire insurance premiums and 1.75 per cent on life premiums.

Blue Goose Sponsors Course

The educational course of the Insurance Institute of America will be given in New Orleans under the auspices of the Louisiana Blue Goose. R. M. Pons, chairman, R. H. Colcock, Jr., and J. F. Miazza, Jr., constitute the insurance institute lecture committee. Lectures will be given each week beginning about the middle of October.

Richmond Traffic Conference

RICHMOND, Sept. 7.—Sixteen of Richmond's civic, business and professional associations have selected representatives to attend the city-wide traffic conference to be held this month to discuss methods of controlling the city's traffic conditions which have taken a toll of more than twenty lives since the first of the year. The Insurance Exchange of Richmond will have the following representatives at the conference: W. O. Wilson, C. F. McNeil, F. W. Clintman and I. J. Straus.

Yazoo Delta Agents Meet

YAZOO CITY, MISS., Sept. 7.—The Yazoo Delta Local Agents' Association held its August meeting in Greenwood. B. R. Kuykendall, recently elected president, presided. Principal topics of discussion were the extreme heavy loss ratio and the withdrawal of a number of companies from the delta on account



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of excessive taxes and increasing losses. Albert J. Brewerton acted as toastmaster at the luncheon. The other recently elected officers are: Warner Wells, vice-president; W. F. Flatt, secretary-treasurer. Directors: Harry Watson, Lexington; Norman Brown, Cleveland; W. M. Peteet, Greenwood; M. A. Bergman, Greenville; J. H. Johnson, Clarksdale; E. L. Walton, Ruleville.

Opens Adjustment Office

Miss Margaret Roper, until recently a field agent for the Kentucky insurance

department, has opened an adjustment office at 802 Inter-Southern building, Louisville.

Dovel Sells Fire Business

The W. L. Dechert Company, Harrisonburg, Va., agency, has acquired the fire and casualty business of the Dovel & Dovel agency of that city, which will continue under the same name to conduct an exclusive life business, representing the Atlantic Life as district agent.

ON THE PACIFIC COAST

Governing Committee Named

Will Take Over Work of President of California Insurance Bureau, Non-Board Organization

LOS ANGELES, Sept. 7.—The California Insurance Bureau, an organization of managers, general agents and special agents of non-affiliated companies operating in southern California, which was formed about three years ago, has elected a governing committee of five, charged with the responsibility of handling the work formerly assigned to the president of the bureau, the members of the committee to rotate as chairman. Members of the committee are Fred A. Spear, I. M. Fisher, T. V. Humphreys and R. H. Jenkins, all general agents, and W. B. Rearden, district manager Firemen's group. It is believed that with the elimination of the office of president a closer feeling of co-operation will be effected within the organization.

I. M. Fisher, head of the general agency bearing his name, was the first president of the bureau when it was organized three years ago. He was succeeded by Fred A. Spear, president of Spear & Co., who served as president for the past two years.

Big Decrease in Number of California Licenses Issued

SAN FRANCISCO, Sept. 7.—Although the California department expected agents' licenses for the fiscal year commencing July 1 to show a decided falling off, due to the new licensing law enacted by the last legislature, it was not believed that such drastic cuts would be seen. Up to Sept. 3, three days after the "dead line" set by Commissioner Mitchell for the renewal of licenses, only 11,600 had been issued, compared with an estimated 22,000 and approximately 35,000 the previous year. Under the new law agents are required to apply and pay for their own license, under which they may represent as many companies as they desire, whereas under the old law the companies were compelled to secure a license for each agent and take care of the fee. Partnerships, corporations and similar groups, which formerly were compelled to secure a license for each member of the firm, may now be licensed as a whole, but even taking these provisions into consideration, the department felt there would be at least 20,000 to 22,000 licenses issued.

In addition to the 11,600 agents licensed, 900 solicitors' licenses have been issued.

Form Permanent Loss Committee

SEATTLE, Sept. 7.—A permanent loss committee of the Special Agents Association of the Pacific Northwest has been named to collaborate with adjusters in handling loss adjusting problems. The committee is headed by D. A. McKinley of the Royal, assisted by G. Emery Moore, Fireman's Fund, and F. P. Guptil, Hartford Fire.

New Insurance Tax Is Sought

Amendment to California Constitution Proposed to Allow Cities to Require License Payment

SAN FRANCISCO, Sept. 7.—A resolution holding that fire companies operating in San Francisco and other California cities should pay license taxes was presented to the board of supervisors of San Francisco by J. B. McSheehy, one of its members. He asked that the judicial committee of the board invite other cities of the state to join in a movement which will amend the constitution to permit municipalities to levy such a tax.

The resolution says the companies contribute nothing toward the maintenance of the fire department or the fire prevention bureau which its author said has cost the city of San Francisco more than \$31,000,000 in the past ten years. Under the California constitution fire companies pay a state premium tax of 2.6 percent in lieu of all other taxes except on real estate owned.

A. M. Brown, Jr., of Edward Brown & Sons immediately took the matter up with the Pacific Board. In San Francisco the companies maintain the Underwriters Fire Patrol, which rates high as a salvage organization, and this fact, together with many others, has evidently been overlooked by McSheehy and his advisors, according to Mr. Brown.

Protest Auto Club Signs

SAN FRANCISCO, Sept. 7.—San Francisco's traffic advisory board is hearing a protest made by the Insurance Brokers Exchange against permitting the California State Automobile Association to continue to have its name and insignia placed on traffic control signs about the city, on the ground that it is permitting a competitor to use the city streets for advertising purposes. The same situation prevails throughout the state. In southern California the signs carry the insignia of the Automobile Club of Southern California and local agents are making efforts to have the names of the two clubs removed from all signs. Both clubs write a large volume of automobile insurance on the reciprocal plan. The signs are purchased by the state, city and county governments but the clubs claim that they pay the cost of maintenance.

Hearing on Rebate Charges

SAN FRANCISCO, Sept. 7.—Charges that the E. J. Carroll Company, San Francisco brokerage firm, violated the California anti-rebate law have been taken under advisement by the insurance department following a hearing conducted by Deputy Commissioners Long and Beckett. It was alleged that in one case Carroll collected a sum considerably lower than the premium stated on the policies. The defense was that the policies in question were issued by the Pacific Fire with the understanding that upon the return of Dixwell Davenport, Pacific Coast manager, to his headquarters in San Francisco an effort would be made to have him reduce the rate on the earthquake insurance to a



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specified figure. This, it was claimed, was done and the insured given an endorsement showing the reduction in rate, which made the premium the amount complained of.

A motion by attorneys for the Carroll Company to dismiss the charges was denied by Deputy Commissioner Beckett, who ordered all parties interested to submit briefs.

Preston's Field Broadened

C. H. Preston, formerly special agent in Portland, Ore., for the St. Paul Fire & Marine, will hereafter cover both Oregon and Washington and maintain his headquarters in Seattle. The Portland office will be continued by the St. Paul for policy writing purposes.

Greer Ends Coast Tour

F. J. Greer, vice-president of the Monarch Fire of Cleveland, who has been touring the Pacific Coast territory, returned to the home office by airplane from Los Angeles.

Made Phoenix Club Members

SAN FRANCISCO, Sept. 7.—A number of prominent company and organization officials of San Francisco have been elected to honorary membership in the Phoenix Society of this city. Among the mare A. M. Brown, head of the Edward Brown & Sons general agency; C. A. Henry, Pacific Coast manager of the Sun; Jay W. Stevens, head of the fire prevention bureau of the National Board and state fire marshal of California; F. J. Agnew, assistant secretary Fireman's Fund; H. F. Badger, secretary Pacific Board and C. H. Lum, assistant general manager National Board.

The Phoenix Society was organized a few months ago by loyal supporters of

the fire department and honorary membership is confined to those who have assisted or shown constructive interest in the activities of the department.

Griffith Auto Club Director

R. H. Griffith, vice-president of the Glens Falls, has been elected a director of the National Automobile Club, succeeding the late F. E. Stone.

Fire Association Field Changes

R. H. Collins, Jr., formerly covering the north coast territory of California for the Fire Association, will hereafter be assistant to S. L. Harrington, special agent in southern California. W. A. Oehlmann, special agent in the East Bay district, is to succeed Mr. Collins.

New "Cravens, Dargan Review"

The Cravens, Dargan & Co., general agency has commenced publication of "Cravens, Dargan Review" from its San Francisco office. The publication, which is patterned along the lines of the "Review" issued from its Houston headquarters, is to contain information regarding the Pacific Coast territory covered by the general agency as well as personals and sales helps for agents.

Coast Notes

The National Reserve Agency, Salt Lake City, has been incorporated. O. R. Dibblee is president and R. B. Campbell secretary-treasurer.

Elizabeth Mathews, 17-year-old daughter of John A. Mathews, Pacific Coast marine general agent of the Aetna and other companies, senior member of the general agency firm of Mathews & Livingston, died in San Francisco Sept. 1, following a major operation.

IN THE MOUNTAIN FIELD

Selection Is Up to Companies

Denver Agents Petition Supervisory Committee to Have Rocky Mountain Secretary Check License

DENVER, Sept. 7.—A brake on the indiscriminate issue of agents' licenses by the Colorado insurance department can only be made by the insurance companies, according to the opinion generally expressed at the last meeting of the Denver Association of Insurance Agents.

Resolutions to Be Submitted

President N. Clinton Steel was authorized by a resolution to appoint a committee to present resolutions on the subject to the supervisory committee of the Rocky Mountain Fire Underwriters' Association at its meeting in October. Frank England, Jr., secretary of the Denver association, reported he had examined the list of agents now holding licenses under authority of the state insurance department and that he had found in it the names of dentists, doctors, truck drivers and those of other occupations. Mr. Main favors a method which would require the companies to present their candidates for licenses for the approval of the secretary of the Rocky Mountain Fire Underwriters' Association.

The Denver association approved the use of a collection notice, issued under

the auspices of the association, for optional use by member agents in the case of delinquent accounts.

Favor Annual Joint Meeting

Wyoming Agents Seek Alliance With Associations in Colorado and New Mexico

A resolution favoring the holding of a joint meeting at least once a year of the Colorado, New Mexico and Wyoming agents' associations was adopted at the annual meeting of the Wyoming Association of Insurance Agents in Casper. The resolution pointed out that those three states, comprising the Rocky mountain field, have in common many interests and the agencies in those states operate under the same rules and regulations. The executive committee of the Wyoming association was instructed to consult with the associations of the other two states in an attempt to work out an understanding.

Another resolution instructed the executive committee to confer with Commissioner Thulemeyer in an attempt to have printed on the back of agents' licenses certain rules for the guidance of agents. The rules, according to the resolution, should express the principles of the Wyoming association without making statements that conflict with the insurance laws of the state.

The association requested its mem-

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bers to withhold acceptance of commission cuts of any kind unless conferences have been held by the proper committee of the National Association of Insurance Agents with a committee of companies and the agents' committee is convinced that the reduction is reasonable and proper. The recommendation was made that members of the association give preference to business men and firms "believing in the same principle when transacting their personal business."

Opposition was expressed to the further appointment by companies of financial institutions, their officers or employees as agents, and to the practice of companies operating branch offices, as distinguished from service offices, or rendering agency service to so-called non-policy-writing agents and also to overhead writing by companies.

Telegrams of greetings were sent by several officers of the National Association of Insurance Agents and by President Levison of the Fireman's Fund.

A year ago the Wyoming association was organized with a membership of nine and today it has grown to 22. The association went on record favoring a qualification law for Wyoming that would place the agent on a higher plane. Commissioner Thulemeyer was not able to be present, but sent a message in writing. He expressed himself as being in favor of the resident agent's act and said he will continue to insist upon proper recognition of the local agent.

Beck Buys Agency

DENVER, Sept. 7.—The Allen Beck General Agency has purchased the business of Seaman & Osgood, general agents. H. R. Osgood of Seaman & Osgood decided to sell the general agency following the death of his former partner, R. W. Seaman. Mr. Osgood is a casualty specialist, and will establish a local agency to represent the companies of the Allen Beck General Agency. He will also retain the local agency for the Commercial Standard of Texas.

Joins Adjustment Bureau Staff

DENVER, Sept. 7.—G. W. Oliver state agent of the rain and hail bureau of the Aetna, North America and Springfield here for eight years, has joined the adjusting staff of the Fire Companies' Adjustment Bureau. Mr. Oliver was with the hail bureau at Chicago and Kansas City, Mo., before coming here.

Reporting Form Not Permitted

DENVER, Sept. 7.—The Mountain States Inspection Bureau will not approve a reporting form of coverage on cotton in yards, members and agents in the mountain field were notified by W. J. Kulp, manager. This type of coverage is not permitted under the rules, although it was used in violation during the cotton ginning season last year, Mr. Kulp said.

Canadian Field Happenings

Canadian Institute Elects

W. B. Lowry of North America, Winnipeg, Named President at Annual Meeting in That City

WINNIPEG, Sept. 7.—At the annual meeting of the Canadian Institute of Insurance held in Winnipeg reports were given showing notable progress. The past year it was incorporated as a non-commercial organization. The council which was elected includes men who are prominent in insurance throughout Canada. The honorary president is E. P. Withrow, Dominion of Canada General; president, W. B. Lowry, North Amer-

ica; vice-president, N. J. Black, Commercial Union; secretary, T. E. D. Boys, Western Canada Insurance Underwriters' Association; treasurer, C. R. Francis, Canadian Fire, all of Winnipeg. Members of the council, outside of Winnipeg, are R. L. Stirling, Canadian manager Sun, Toronto; John Holroyde, Canadian manager Commercial Union, Montreal; A. W. McLeod, New Westminster, B. C.; E. J. Fahie, Nova Scotia Board; N. Byers, Butler-Byers Bros., Saskatoon; J. O. Miller, Miller & Dunham, Calgary.

Atlas Change in West

WINNIPEG, Sept. 7.—F. R. McDowell has been appointed western branch manager here for the Atlas and the Essex & Suffolk Equitable, to succeed J. N. McLeod, who has resigned to enter agency work. Mr. McDowell entered the service of these companies in 1917, and has been inspector for Manitoba and Saskatchewan for the past eight years.

Quit Automobile Field

Several companies have recently ceased writing automobile insurance in Canada, among them the Continental, Fidelity-Phenix, Fidelity Fire Underwriters, New York Underwriters, Aetna, Century Indemnity and World Fire & Marine.

Dewar Sun's Secretary

TORONTO, Sept. 7.—D. M. Dewar, who since 1921 has been casualty manager of the Sun here, has been appointed secretary. Mr. Dewar started his insurance career in Scotland some 30 years ago.

Reciprocals Licensed in Canada

The Affiliated Underwriters, the Individual Underwriters and the New York Reciprocal Underwriters of New York have been licensed in Canada. W. V. Gerrish, Toronto, is Canadian chief agent.

Motor Insurance Events

Auto Loss Men Meet Soon

Head of Motor Trade Association to Address Chicago Group on Subject of Cooperation

The Automobile Adjusters Association of Chicago, headed by Ross Whitney of Greene, Whitney & Miller, independent adjusters, Insurance Exchange, Chicago, will hold its first fall meeting Sept. 8 in the Union League Club, Chicago. Lafayette Markle, president and manager of the Automobile Trade Association of Chicago, is to speak, outlining the new plan of contacts and cooperation between automobile men and auto adjusters, devised to iron out joint problems.

Kansas Approval Still Delayed

TOPEKA, KAN., Sept. 7.—There has been a further delay in the approval of the new automobile fire, theft and property damage rate in Kansas. Commissioner Hobbs announced that he did not expect to complete his study of the schedule and the exhibits until late this week. It is generally expected that the schedule as submitted will be approved without much change.

Virginia Rates Temporary

RICHMOND, VA., Sept. 7.—The new manual of rates, rules and regulations for insuring automobile fire and theft business, effective Sept. 5, have been approved by the Virginia state corporation commission for temporary application until Oct. 31.

EDUCATIONAL SECTION

Some Interesting Factors That Arise in the Consideration of Values of Building and Ground

By H. H. MATTESON
Matteson Company, St. Paul, Minn.

The subjoined is part of the illuminating address Mr. Mattezon, well known local agent gave at the meeting of the Minnesota Association of Insurance Agents.

Appraisers, adjusters and insurance men quite generally consider the value of a building replacement cost less physical depreciation, giving little consideration for obsolescence—architectural obsolescence—structural obsolescence. To suggest consideration of location obsolescence, subjects one to ridicule. Nevertheless, it is a prime factor and often a controlling factor in determination of building value, even for insurance purposes.

In connection with a coinsurance clause, the building value is controlled by the "cash value at the time of the fire." A "cash value" may be determined only when every element affecting "cash value" is permitted to be freely reflected in such value. The stated insurable value in the policy is not a "cash value." It is a stated and restricted value. "Cash value" can have no restrictions nor limitations of any character. It must be free to respond to all that affects value.

Ground Becomes a Factor

Obsolescence is involved whenever the ground is inferior to the building, or when the ground is superior to the building or when the ground is not efficiently served by the character of the building. Eliminating the consideration of physical depreciation, structural and architectural obsolescence, a building may be valued at replacement cost only when it is on a par plane with the ground value; when it is a perfect complement to the ground; i. e., when the ground is most efficiently served by such building, considering its purposes and dimension.

A building in an obsolete, abandoned section of the city, though physically perfect, is, due to location only, say 20 percent effective. The "cash value" of that building would be only 20 percent of its physical replacement. Valued upon that basis, one is justified and I believe can do so safely, to purchase insurance with a coinsurance clause.

Involves Two Planes of Value

Insurance so written involves two planes of value. One determines the amount of insurance to value—basis "cash value." The other is involved in case of partial loss, basis physical replacement cost. One basis of value is 20 percent; the other, 100 percent. The insurer receives a premium upon basis of 20 percent, but pays partial losses upon basis of 100 percent, i. e., so far as partial losses are concerned, the insurer will have received only one-fifth of its rate. But evidently the insurer likes it, possibly it helps depression. For some reason insurers do not like to meet a problem, and trying to dodge it get spanked.

The problem of location obsolescence may be readily met by inclusion of an obsolescence debit in the rate in order to meet partial loss situation. The insurer will continue to suffer until such obsolescence rate debit will have been provided.

So expressing myself to insurance agents, I have been told that consideration of location obsolescence would involve location appreciation, resulting in

building value far above replacement cost. Such is not the case. There is no such animal as building appreciation. Building value can not rise above replacement cost. Ground—only—can experience "appreciation." For example: A building in an obsolete and abandoned section of the city, physically perfect, yet due to location only 20 percent effective, which determines its value. In time, the character of the location changes. The progress of the city is in that direction—old buildings are wrecked—new buildings are erected—rents rise. With the increase in income, the value of our building, although there is no change in physical value, rises from the 20 percent basis. The district continues to progress, until the value of our building reaches its physical replacement value.

Effect of Ground Value Appreciation

At that point, it is discovered that building is in exact complement to the ground. It serves the ground with full efficiency, it is then on a par with the value and best purposes of the ground. It then may be valued at the amount of physical replacement cost. Density of traffic progresses, rents and ground values still rise. The ground value continues to rise. It becomes so valuable that it must be served by a far more pretentious building. Our building, though physically perfect, is ready to be wrecked. It is no longer a resource; it is a liability. Consequently, "appreciation" of ground value from building and ground par basis involves building obsolescence.

Height of Building Value

To the extent the "ground value" appreciates above that par basis, the building value falls, but when the turn comes and rents begin to fall, the value of the ground falls, but the value of the building rises. Each approach their par basis, one from above, the other from below, until the par basis will have been reached. From that point, with further depression of income, both fall together. Hence, building value can not rise above physical replacement cost basis. Whether the movement of values be up or down, when the par plane is broken, the movement of the value of the building is always down.

Amount Stated Not Conclusive

The amount stated in the insurable value clause is not conclusive as to building value. In Minnesota, we have only one decision, Oppenheim vs. Fireman's Fund. In that case the court held that the policy was closed by the stated value in the insurable value clause, but as all parties to the suit admitted that the building value was less than the value stated in the policy, the force of the decision is that value is closed downwards, that the stated value is an incontestable minimum value.

It is generally considered that the building value is open upwards; otherwise the insurable value clause and the coinsurance would violate each other.

P. J. Moriarity, manager of the Detroit metropolitan department of the North British group, was a visitor at the United States headquarters of his companies, making the journey from and to his home city via the Great Lakes, the St. Lawrence river and the Atlantic Ocean.

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CASUALTY AND SURETY SECTION

Page Twenty-nine

Compensation May Prove Uninsurable

Jones Suggests How to Avoid Putting Line on Current Cost Basis

LIBERALIZATION SERIOUS

Manager of Association of Casualty & Surety Executives Sounds Grave Note at Insurance Counsel Meeting

Liberalizing tendencies in compensation awards threaten the ultimate uninsurability of workmen's compensation and indicate a growing unbearable and intolerable burden upon industry and the consumer. This was the statement of F. Robertson Jones, general manager of the Association of Casualty & Surety Executives, in an address before the annual convention of the International Association of Insurance Counsel at White Sulphur Springs, W. Va.

After reviewing some of the liberalizing tendencies, Mr. Jones made a number of suggestions on how best to return to first principles and get compensation on a true insurance basis, so that the benefits will not have to be financed by unlimited assessments on industry more or less on the current cost plan.

In general, according to Mr. Jones, the chief remedy is to revert to the principles of the earlier compensation laws. He said compensation should be restricted to cover only injuries caused by accidents, plus occupational diseases defined and subject to special conditions.

Sudden Occurrences

Accidents, according to Mr. Jones, should be defined to include only a sudden occurrence. Injury by accident should be defined to exclude mental or nervous injuries due to fright or excitement only. Where an accident aggravates a preexisting disease, according to Mr. Jones, only the aggravation due to the accident should be compensated.

Waivers of compensation, he said, for the consequences of preexisting defect or deformity should be permitted. The doctrine of added risk should be written out of the law. Compensation for death should be limited to cases where death results from the accident within one year or follows continuous disability and results from the accident within five years.

Makes Some Suggestions

Compensation, Mr. Jones said, should be based on the probable loss of earnings from the injury. Compensation for permanent disability, total or partial, should run for life only. In fatal cases, the rate of compensation should depend upon the status of the persons claiming dependency as of the date of the accident and the compensation should be less for partial dependency than for to-

(CONTINUED ON NEXT PAGE)

Compensation Outlook Is Better, Big Issue Removed

NEW YORK, Sept. 7.—Casualty companies that promptly and aggressively attempted to enforce the application of the increased rates are confronted with the necessity of giving notice to assureds that the endorsement is waived and that the audit will be made on the old basis. That was the chief issue in the compensation program; other issues that remain are the graduated scale of commission and rebate on large risks; stock and mutual rate differentials and in some cases a rate increase of any sort is resisted. However the prospect of getting the program across is much better because of the withdrawal of the retroactive feature.

When the edict went forth to increase the rates, not only on new business and renewals but on policies in force, some companies immediately got busy and instructed their agents to get the endorsement on policies in force and proceeded to see that orders were carried out. Others sent out notices but were rather indifferent in pursuing the subject. Some rocked along without sending out notices. Some followed the course of allowing their agents to get the endorsements where they could without much difficulty, but being lenient with others.

The companies that went ahead in good faith now find themselves in a very bad situation. Their agents were convinced that it was necessary to meet the demand of their superiors and hence persuaded many of their assureds to allow the endorsement for higher rate to be put on their policies. That in itself was a monumental piece of work because as a rule policyholders resented the increase in price after the policies had been in effect and in most cases paid for. Nevertheless, the companies that took the action seriously were determined to carry out their end of the bargain. The agents were told either to get the endorsement or the policy would be canceled.

Wanted All on Basis of Equality

The National Council wanted all assureds to be put on a basis of equality. For instance, it felt that it would be unfair to charge one rate for workmen's compensation on a policy issued late in July and a much higher one on a policy written early in August, especially where the matter of insurance cost entered into fixing prices of commodities or service. The assured in having to pay the higher rate was placed at a disadvantage. Theoretically the National Council aimed at justice. Owing to the difference in attitude taken by members of the National Bureau of Casualty & Surety Underwriters it was found that the utmost confusion was resulting. Companies that entered into the cause in good faith felt that they were entitled to the extra rate, even on existing policies, because of the higher cost of carrying the business. Payrolls were greatly reduced, insignificant claims had to be paid and there was more or less malingerer.

The companies undoubtedly felt that they had the backing of the insurance

commissioners in the increase, both on new business and renewals, and also on existing policies. Then the storm started out in the field. Because of the opposition of agents, brokers and assureds, many commissioners at once took a hostile attitude toward placing the endorsement on existing policies. Although at the spring meeting in Chicago where the insurance commissioners gave endorsement to the increase, there was mention of the retroactive feature, apparently it was not emphasized in the minds of the commissioners. The companies seemingly took it for granted that the commissioners were in favor of the complete program. Now evidently many of the commissioners at least did not understand that they had pledged themselves to support the increase on existing policies. At least the rub came just at this point. The agents and brokers found it most difficult to apply the increase to existing policies.

Betrayal Is Alleged

There is considerable feeling in the casualty managerial ranks as to the indifference on the part of some companies in an important action. Some companies take the position that they have been betrayed by their associates. Altogether the situation is very unfortunate.

MICHIGAN AGENTS PROTEST

LANSING, MICH., Sept. 7.—Spokesmen for the agency forces lined up against the casualty companies at the hearing on compensation rates before the Michigan anti-discrimination commission, which reserved decision after hearing arguments of stock companies, agents and mutuals.

The companies had appealed from the ruling of Commissioner Livingston, who objected to the proposal to give a 12½ percent rebate on risks involving a premium of more than \$1,000. Mr. Livingston held that the proposed increase was discriminatory as between the small and the large lines. Objection was also

(CONTINUED ON PAGE 32)

Golfers Are Sensitive About Their Reputation

Insurance companies will find it wise to watch clippings which are used to show the desirability of golfers' liability insurance. One golfer objected seriously to the dissemination of a clipping reprint which referred to him as an "inexperienced golfer." The ball, driven by him, seriously injured a caddy. The golfer did not object to the publicity nor to the statements about the way in which the injury was caused but he did contend in a serious way that the reference to him as an inexperienced golfer came close to being slander.

Commissioner Has Extra Legal Duty

Kidd of Indiana Finds Occasional Intercession Beneficial for Insurance Business

AMICUS CURIAE FUNCTION

Misunderstandings Over Claims Require Amicable Settlement, He Tells Insurance Counsel in Meeting

An insurance commissioner must function occasionally as amicus curiae in conserving the best interests of the public, insurance companies and their agents, Commissioner J. C. Kidd of Indiana told the International Association of Insurance Counsel at their White Sulphur Springs meeting. His subject was "Extra-legal Responsibilities of the Insurance Commissioner."

He pointed out that one bad settlement noised around to the claimant's friends; one bad law suit showing the company's position to be unjustified, reflects upon the business as a whole and tends to magnify the number of claims compromised and litigated, when as a matter of fact, he said everyone in the business knows the proportion of these is insignificant.

Few Companies Dodge Claims

He said he has been too long in the insurance business as an agent representing sound reputable companies to do anything but repel the suggestion sometimes made ignorantly that when a claim occurs the first thing an insurance company does is to seek a means of escape of payment. He said the reverse is true.

Occasionally a company does contest a claim for unsound reasons. Either, as in one instance he cited, on the grounds that death came from pneumonia and not from blood poison following an injury, when the blood poison was the proximate cause of the pneumonia, or, as in the case of a large multiple line company for some other reason, such as even the "pet quirk" of a claim man who believes the policy was not intended to cover a claim of a particular nature, irrespective of court precedent. Mr. Kidd said he felt justified in interceding in such cases.

Occasional Intervention Beneficial

"If I am successful, which I have been in the few cases where our department has interceded," he said, "I think I have done the business a favor by assisting in upholding the best of its traditions, and in most cases the local counsel a favor by relieving him of a case which he may believe would go against him."

He cited the case of an insured with a policy covering while actually riding as a passenger in a railroad car, who,

(CONTINUED ON NEXT PAGE)

Thurman Suggests How to Avoid Cumulative Liability

INSURANCE COUNSEL SPEAKER

Oklahoma City Man Tells Difficulty of Fixing Intent of Fidelity Contracts

In order to avoid cumulative liability under fidelity contracts, Hal C. Thurman of Oklahoma City suggested in an address before the meeting of the International Association of Insurance Counsel at White Sulphur Springs, W. Va., that in the event more than one premium is accepted, the insurer should, on a contract with a fixed period for termination, in giving a receipt for successive premiums for an extension or continuation certificate, in the clearest terms possible, limit the amount of the liability for any default of the employee from the beginning of the first period of insurance to the termination of any extension, renewal or continuation to the amount of the named insurance.

Intention Must Be Clear

Likewise, according to Mr. Thurman, in issuing receipts for successive premiums, accepting change notices, replacing an employee on the schedule from which he had previously been dropped, or increasing or diminishing the amount of the insurance, or in issuing new schedule of employees on those contracts of fidelity insurance having no date of termination, the insurer should clearly show the intention of the parties to provide insurance in the amount named in the contract for the specific employee, regardless of the period of the employment or of the time covered by the contract or the number of premiums paid.

"It may be found that it is easier to make this proposal than it is to carry it through," Mr. Thurman concluded, however.

Decisions on Continuity

Mr. Thurman devoted himself to consideration of whether an insurer on a fidelity contract could be held liable for the default of an employee in excess of the amount of insurance named in the contract. The decisions on the continuity of various forms of contract and liability resulting therefrom, may be divided, according to Mr. Thurman, into two general groups, the first consisting of decisions where the court has had under consideration contracts providing for insurance for one year, which has been extended, renewed or continued by application for and issuance of renewal or continuation receipts or certificates. The second consists of decisions where the courts have placed their constructions on contracts having no fixed date of termination and no provision for renewal, but providing on their face for the payment of an annual premium or a premium based on an annual rate.

Interpretation Is Difficult

The keenest analysts, Mr. Thurman said, would have much difficulty in so differentiating between the several contractual provisions as to account for contrary conclusions reached by the courts. If the insurer, he said, intends for the premium received to limit the liability to the amount named in the contract, whether the contract be considered as a continuous contract extending over several periods for which premium is paid, or a contract for a limited time and renewed from time to time by the payment of additional premium, then a danger of being charged with a liability in excess of that contemplated is apparent from several decisions.

There is no form of fidelity contract more susceptible to the construction that it creates one continuous relationship, beginning on its date and lasting until it is terminated, than the American Bankers Association schedule fidelity bond of 1913, according to Mr. Thur-

June 30 Casualty Figures

(As Filed with Georgia Insurance Department)

Company	Capital	Assets	Surplus	6 Mos. Income	6 Mos. Disburs.
American Bonding	\$1,000,000	\$1,793,648	\$600,251	\$189,601	\$444,333
American Employers	1,000,000	7,345,626	398,241	3,885,017	2,783,912
American Mut. Lab.	200,000	19,403,577	3,975,697	5,704,404	6,032,031
Bankers Indemnity	1,000,000	5,739,272	589,595	3,045,940	2,036,380
Central Surety, Mo.	1,000,000	4,354,554	617,100	1,593,175	1,541,940
Century Indemnity	750,000	6,172,038	328,195	3,020,274	2,777,326
Commercial Casualty	1,000,000	11,239,756	689,866	5,640,662	5,875,828
Consolidated Indem.	800,000	7,758,902	1,521,961	3,350,453	4,209,446
Constitution Indem.	1,000,000	3,796,814	407,191	487,513	1,938,605
Continental Casualty	1,750,000	21,739,624	2,430,759	9,509,494	8,234,211
Eagle Indemnity	1,000,000	7,105,586	582,808	2,155,565	1,770,622
Employers Liability	—	36,418,149	4,862,278	1,744,375	14,436,834
Employers Reins.	1,500,000	8,704,750	1,597,372	2,613,126	2,700,602
Fidelity & Casualty	2,200,000	32,563,846	1,034,459	14,168,386	15,119,914
Fidelity & Deposit	2,400,000	20,623,329	4,699,232	9,791,733	12,169,213
Fireman's Fund Indem.	1,000,000	4,853,903	1,944,929	1,303,204	928,442
General Accident	—	24,129,388	3,259,386	8,648,904	8,297,100
General Reins.	1,000,000	13,431,003	1,805,704	6,683,571	2,674,480
Glens Falls Indem.	1,000,000	8,339,398	600,000	5,341,775	2,595,884
Globe Indem.	2,500,000	33,722,015	7,710,236	10,675,199	11,213,110
Great American	750,000	10,185,069	1,683,752	5,910,158	3,828,400
Independence Indemnity	1,000,000	13,134,579	1,230,269	6,836,078	5,619,482
Liberty Mutual	3,000,000	15,142,942	2,406,699	5,980,276	3,266,191
Lloyd's Casualty	1,000,000	23,154,674	3,939,638	10,025,511	8,429,979
London Guarantee	—	3,213,934	85,829	3,211,270	4,717,491
Maryland Cas.	—	14,723,272	2,499,651	4,657,329	4,592,800
Mercer Casualty	1,000,000	40,747,952	—	20,767,929	17,437,262
Metropolitan Cas.	350,000	1,153,617	122,147	533,501	432,204
National Accident	1,000,000	11,668,942	743,829	4,958,222	5,157,646
National Surety	150,000	357,775	110,779	287,148	300,708
New Amsterdam	3,000,000	48,020,029	6,000,000	\$31,016,330	9,727,309
North American Acci.	4,500,000	24,377,187	2,500,000	8,020,342	8,534,503
Norwich Union Indem.	500,000	4,918,555	410,207	1,664,764	1,772,545
Ocean	—	17,770,499	889,260	6,480,921	6,360,168
Ohio Casualty	600,000	3,082,051	317,168	1,661,822	1,548,833
Phoenix Indemnity	500,000	5,027,593	1,131,388	1,728,082	1,515,543
Preferred Accident	875,000	8,156,604	1,075,148	2,753,775	2,838,058
Royal Indemnity	2,500,000	27,262,049	1,040,130	9,512,540	7,017,469
St. Paul-Mercury Indem.	900,000	3,523,087	412,262	1,154,262	1,480,665
Standard Acci.	1,213,360	19,654,046	—	10,269,454	9,939,638
Travelers Indemnity	3,000,000	19,689,232	3,709,435	6,608,957	6,055,928
Union Indemnity	1,000,000	13,105,053	411,227	7,906,426	9,298,085
Utica Mutual	—	7,778,969	1,270,989	2,431,514	2,517,369
Zurich	—	20,078,347	4,348,004	6,068,400	6,338,141

Note.—Premium income, \$7,509,880; interest, \$875,409; other sources, \$22,631,041.

*Includes "other payments" of \$797,830.

Compensation May Prove Uninsurable

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tal dependency, and less for a condition of temporary dependency than for a condition of permanent dependency.

The many false presumptions in favor of claimants, established by statute or practice under some of the compensation laws, should be abrogated, according to Mr. Jones. All findings of facts by accident commissions should be subject to review by the courts. Notice of accidents as soon as practicable should be strictly required. Compromise of really doubtful claims as final settlement in neurasthenic cases should be permitted. The power of accident commissions to reopen closed cases should be limited.

Mr. Jones said he was unable to suggest any solution to the problem arising out of abuse of medical benefits. As to occupational diseases, he declared that the diseases which industry creates and for which it is really responsible should be compensable. "But I believe," he said, "that such diseases need to be clearly defined and that it is necessary to impose special conditions upon the right to compensation for them."

The public should be impressed with the proposition that the relief of poverty among wage workers caused by unemployment, old age, infirmities, vices and common illnesses is a community or cooperative problem, Mr. Jones said, for which the employers ought not to be held solely and entirely responsible—that compensation is rightly due by the employer only for the wage losses of his employees for which the risks of his employment are really and truly responsible and that these other causes of economic distress must be dealt with in other ways.

Employers, lawyers, doctors, employees, through their local, state and national organizations, should help in the reform, Mr. Jones said.

man. Yet there have been decisions holding this to be a separate contract for each year, creating a liability against the insurer to the amount of the named insurance.

Commissioner Has Extra Legal Duty

(CONT'D FROM PRECEDING PAGE)

when the train jerked, fell from the observation platform onto an adjacent highway and was struck by an automobile. The company contended there was no liability because part of his injuries were sustained by being struck by the car.

Mr. Kidd said that another case taken from the files of the Indiana department in the last two or three months involved the company's juggling of records so it appeared the insured died before reinstatement, when in fact, death occurred afterward. He emphasized in closing that the "Court of Public Opinion" has a wide influence on the local agents and business, and care should be taken that its confidence should not be alienated.

Auto Liability Rates Are Up 20 Percent in Vermont

With the approval of the Vermont commissioner an average increase of 20 percent has been made in the automobile public liability rates in the state. Property damage rates are unchanged.

The years 1927-30 produced a loss ratio in Vermont of 78 percent on private passenger cars and 84 percent on commercial machines. The average loss cost per private car in 1930 was \$19.37 as against \$13.63 the previous year.

OKLAHOMA APPROVES MANUAL

OKLAHOMA CITY, Sept. 7.—Revisions and amendments in the auto casualty manual, as submitted by the National Bureau of Casualty & Surety Underwriters, have been approved by the Oklahoma insurance board.

Ohio Association to Meet

The Ohio Association of Casualty & Surety Managers will hold its first meeting at Columbus Sept. 13. John H. Parks of Columbus is president; E. D. Sweet, Cleveland, vice-president, and C.

Propose Auto Rate Cut in Bay State, Hearing Sept. 12

REASONING FOUND NOT CLEAR

Company Officials Say Commissioner Brown of Massachusetts Erred in Setting Expense Allowance

NEW YORK, Sept. 7.—Casualty company managers are at a loss to follow the reasoning upon which Commissioner Brown of Massachusetts in the preparation of proposed automobile liability rates for 1933 allowed an expense element of but 36 percent, whereas he disclosed an expense ratio for all types of companies operating in the state in 1931 was 37.09 percent; the record of the stock offices being 37.91.

This figure embraces the cost of adjusting, payment of commissions to agents, taxes and fees of various kinds as well as head office administration, and gives no consideration whatever to profit. Since the enactment of the compulsory automobile insurance act in Massachusetts five years ago, the carriers have not made a dollar of profit upon the business. On the contrary, the offices in the aggregate have probably lost several millions because of it. So unsatisfactory did the business become at one time that several companies ceased granting the coverage, and the speculation now is how long it will be before others pursue a like course, if they are not to be allowed living rates.

Losses, Expenses Exceed Income

During 1931 the companies received in automobile premiums from the state \$17,870,467, in the same period the losses amounted to \$12,514,568, and the expenses \$6,628,156, this including the cost of claim handling. From these figures it will be noted the combined losses and expenses exceeded the premium income by \$1,272,257. At the public hearing before Commissioner Brown on Sept. 12 to consider the suggested new tariffs, the stock companies will be represented and will make known their attitude upon the general subject. The committee of the Association of Casualty and Surety Executives considering the Massachusetts situation includes the Aetna Life, Employers Liability, Maryland Casualty, Massachusetts Bonding, Preferred Accident, Travelers and United States Fidelity & Guaranty.

Although the compulsory automobile insurance law has been in force in Massachusetts for the past five years, within which time its workings have been studied by numerous commissions from various sections of this country and Canada, none has regarded it with favor, recommending instead the adoption of financial responsibility measures.

Details of Proposal

Commissioner Brown of Massachusetts has set a hearing Sept. 12 on the proposed schedule of automobile rates for 1933 under the compulsory law. There is an average reduction of 3 percent proposed in the rates applicable to pleasure and commercial vehicles including trucks. A change is not proposed for taxicabs.

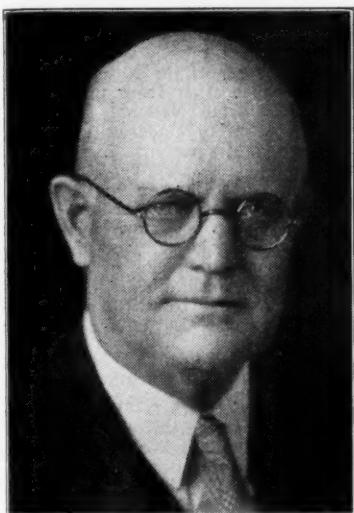
In only a few places and in only a few classifications are the 1933 rates higher than the present rates. In Chelsea, which is the highest rate territory in Massachusetts, there will be a saving from \$7 to \$26. Owners of high priced cars will pay \$88 as compared with \$114; medium price \$85 instead of \$92 and light cars \$80 instead of \$87.

The proposed rate in Boston is \$59 on light cars, \$60 on medium priced cars and \$65 on high priced as compared with \$61, \$65 and \$67 respectively. The

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H. Taylor, Columbus, secretary and treasurer.

State Official Speaks on White Sulphur Program



JOHN C. KIDD

Insurance Commissioner John C. Kidd of Indiana was one of the foremost speakers at the annual meeting of the International Association of Insurance Counsel at White Sulphur Springs this week. Commissioner Kidd was formerly a local agent at Brazil, Ind. His son conducts the agency now that the father is in public office.

Propose Auto Rate Cut in Bay State; Hearing Sept. 12

(CONT'D FROM PRECEDING PAGE)

greatest percentage of decrease throughout the state is on high priced cars.

An additional zone was created by splitting up one of the units in the middle of the state, making the total number of zones 19, while several municipalities were transferred to lower or higher rated zones, according to their individual records.

Some of the cities remain unsatisfied with the new schedule, believing their experiences entitle them to lower rates and the hearing Sept. 12 is expected to be as spirited as usual.

Studying Open Stock Risks

NEW YORK, Sept. 7.—A study of the manual classification of open stock mercantile risks is being made by the governing committee of the burglary branch of the National Bureau of Casualty & Surety Underwriters with a view to regrouping them into a lesser number of divisions. When a program is adopted it will be submitted to the full membership of the department for review.

"Seabards" Not Connected

The Seaboard Corporation of America, with head offices in Los Angeles, recently taken over by Commissioner Mitchell of California because of its financial condition, must not be confused with the Seaboard Surety of New York, which latter has a capital of \$1,000,000, and at the beginning of the present year reported assets of \$2,138,728 and a net surplus in excess of \$668,000. Launched in 1927, it is officered by men of tested underwriting ability and writes a carefully selected business.

Ohio Casualty's Figures

The Ohio Casualty of Hamilton, O., as of June 30, showed assets \$3,080,052, premium reserve \$1,379,053, capital \$600,000, net surplus \$315,168, premiums six months \$1,601,387.

Good Companies Function Through Good Local Agents

DUNCAN REID GIVES ADDRESS

Globe Indemnity President Declares That All Hands Should Display Courage and Intelligence

President A. Duncan Reid of the Globe Indemnity spoke this week before the New Jersey Association of Underwriters, the local agents' association, at Jersey City. He said that insurance has played a wonderful part in supplying sustaining power during an era of great disturbance. Companies of all kinds paid upwards of \$4,000,000,000 in claims last year. Life insurance loans have helped solve many an otherwise impossible situation. Because insurance does occupy such a necessary and important place in the economic world, Mr. Reid said it is compelled to assume a tremendous responsibility.

He said that the personnel of the business should be capable, qualified and conscientious. There is the human element of judgment in insurance and it plays a big part. He said the good company is not the good company when functioning through the bad agent. A good agent is not the good agent when operating through the bad company.

Individual Responsibility Seen

He said there is an individual responsibility which goes beyond the individual himself. If coverage is improper, insufficient or in anywise inadequate, both the agent and company will suffer in the final result. If rates are inadequate or unreasonable, the result will be equally borne by the agent and company. Whatever the problems of casualty insurance are they must be answered by the men in the business. The answer will depend on the kind of men supporting casualty insurance. He said companies have had to give up old agents and old agents have had to give up companies because one or the other cannot measure up to safety standards due to bad judgment or plain misfortune.

Rate Problem Calls for Courage

Mr. Reid said that the rate problem so prominent at this moment calls for courage. The task must be faced, he said. An agent should refuse to represent in his office two classes of companies, one demanding adequate rates and the other cutting rates. To adjust outgo to income, he said, is neither easy nor simple, but nevertheless it is a necessity to both agent and company. The credit problem is more serious than it ever has been. The opportunity, he declared, for correction and the possibility of correction are better than they have been. Insurance cannot escape the extension of credit. However, judgment must be used and the extension of credit must be expertly done. Mr. Reid said: "If your accounts receivable exceed more than the sum of 45 days premium writings, get busy at once."

Problems of Legislation

Mr. Reid referred to the problems of legislation adversely affecting insurance which demand attention. He said that the business of insurance is too great and important to become the football of thoughtless legislators.

Mr. Reid declared that organized companies and organized agents are today in a more cooperative mood than they ever have been. In conclusion he said: "Our business holds men strong, intelligent and courageous in every department of endeavor. That means that cures will be found for the problems and they will be applied in a practical, courageous and businesslike manner."

The **Car & General** showed premiums for the first six months \$709,244. The assets June 30 were \$2,780,298, premium reserve \$342,578, net surplus \$905,393.

Late News from the Casualty Field

Chicago Looting Shows the Need for Safety Box Cover

The need for safety deposit box burglary coverage was illustrated this week in Chicago when large amounts of jewelry, stocks, bonds, money and so on were taken from boxes in the vaults of Koch & Co. Sunday. The burglars reached the vault after working 14 hours with acetylene torches. Koch & Co. is a real estate firm. There were 350 boxes and many of the holders had withdrawn their money from the banks and put it in their safety boxes. The work was done, according to the police, by master cracksmen.

Riley's Territory Extended

The transfer of R. W. Riley from the Newark branch office of the Commercial Casualty and Metropolitan Casualty to Trenton, N. J., which became effective this week, will extend Mr. Riley's territory, as south New Jersey, a field that was covered by the Philadelphia office, has been turned over to him.

Turner Entertainment Chairman

George E. Turner, president First Reinsurance, will serve as chairman of the entertainment committee at the convention of the International Association of Casualty & Surety Underwriters at White Sulphur Springs, W. Va., while Wallace J. Falvey, vice-president Massachusetts Bonding, will again act as chairman of the golf committee.

Call Foster to Home Office

E. F. Foster, who has been manager of the New York City office of the Fidelity & Deposit since February, 1930, has been called to the home office to become personal assistant to Vice-President R. S. Hart in charge of the blanket bond and fidelity department. He was given a farewell luncheon by Vice-President J. A. Griffin in charge of the New York office. Before going to New York Mr. Foster was assistant manager of the fidelity department at the home office. He will give his attention largely to the development of fidelity and blanket bond business.

Start Oklahoma Hearings

OKLAHOMA CITY, Sept. 7.—Beginning today, Governor Murray's special committee to make a study of industrial insurance is holding sessions here that probably will continue for several days. W. A. Murphy, state commissioner of labor, chairman of the committee, will later assemble the findings of the committee and make special report to Governor Murray. He in turn will present the matter to the legislature which meets the first of the year, which is expected to make some changes in the present law, or rewrite a new one.

Get American Bonding

Jones & Whitlock of New York City, one of the oldest inland marine offices, has been appointed branch manager of the American Bonding of Baltimore. G. W. Donnan, formerly vice-president of the Consolidated Indemnity, is to be manager of the surety, burglary and plate glass departments for the firm. The facilities of the Jones & Whitlock office are used by all its branch offices. The Chicago office, under the management of F. M. Chandler, also has the American Indemnity and American Surety.

The **Fidelity & Deposit**'s net premiums for the first six months were \$5,582,601.

Detroit F. & S. Is Enjoined in Suit Over Federal Surety

SEEK TRANSFERRED ASSETS

Receiver Claims Some of Detroit Fidelity & Surety Holdings for Defunct Iowa Company

DES MOINES, Sept. 7.—A temporary writ of injunction restraining the Detroit Fidelity & Surety from disposing of mortgages worth \$32,530, and real estate including 420 acres of Scott county land, has been granted in the Scott county district court on application of Commissioner Clark, acting as receiver for the Federal Surety.

The assets had been transferred to the Detroit company prior to the receivership of the Federal Surety last fall, according to the bill.

According to the petition, on April 28, 1931, the executive committee of the Federal Surety adopted a resolution whereby the mortgages were transferred to the Detroit company as collateral for all appeal bonds handled by the Detroit Fidelity & Surety. One of the mortgages in the name of E. L. Dealy, was for \$18,900, and the other, in the name of H. J. Huber, was for \$13,630.

On June 19, 1931, the receiver claims T. G. Lorenzen, secretary of the Federal Surety, assigned to the Detroit Fidelity & Surety a sheriff's certificate of sale for 420 acres of land in Scott county. The land was held on a foreclosure on a \$25,000 promissory note against R. C. and Sarah Carter. Title to the real estate is not held by the Detroit F. & S., according to the receiver's petition.

Commissioner Clark recently filed suit for \$1,800,600 against J. B. McCutchan in connection with alleged juggling of assets of the Federal Surety.

Membership Has Increased

Secretary John A. Millener of the International Association of Insurance Counsel at its meeting at White Sulphur Springs this week announced the membership to be now 1,041. A year ago it was 976. The receipts were \$15,316 and disbursements \$11,205. There were 189 new members secured during the year.

Secretary Millener gives great credit to President E. A. Jones, First Vice-President G. W. Yancey of Birmingham, Ala.; W. O. Reeder of St. Louis, chairman of the executive committee, for the great work they have done during the year.

President Jones was unable to be present on account of illness and Vice-president Yancey is presiding.

Get Another Life Company

The A. M. Greenfield and Frank Cohen interests have now purchased the Shenandoah Life of Roanoke, Va. These interests also control the Constitution Indemnity, Detroit Fidelity & Surety, Lloyds Casualty and are organizing the Lloyds Insurance Company of America. They got control of the Kentucky Home Life, which is a reorganization of the defunct Inter-Southern Life, and through that agency have a large interest in the Missouri State Life. They also have two investment trusts, the portfolio of which consists mainly of bank and insurance company stocks. Julius Barnes will be chairman of the Shenandoah.

Survey New Orleans Field

NEW ORLEANS, Sept. 7.—Charles P. Gould, president New Orleans Insurance Exchange, has named the following committee to make a survey of the casualty and surety field here, and to report its findings at the September meeting: A. M. Savage, chairman; J. H. Bodenheimer, Bryan Bell, C. H. Black, Sr., Auguste Coiron and Leonard M. Wise.

COMPENSATION OUTLOOK IS BETTER

(CONTINUED FROM PAGE 29)

raised to a differential between the proposed rates to be charged by mutuals and stock companies. The agents objected to a commission cut on large lines.

James A. Beha, general manager National Bureau of Casualty & Surety Underwriters; O. R. Beckwith, counsel for the Aetna Casualty, and Lamar Hill, counsel for the Fidelity & Casualty, appeared for the stock companies. A. V. Gruhn, secretary American Mutual Alliance, contested the stock companies' claims.

Small vs. Large Risks

The agents, represented by Clyde B. Smith, Lansing, former president National Association of Insurance Agents; G. Earl McVoy, Grand Rapids, president Michigan Association of Insurance Agents; Rep. James Wilson, Kalamazoo; John P. Old, Sault Ste. Marie, former president Michigan association; Charles Freese, and R. E. Paris, Detroit, admitted higher rates are justified but objected to the large risk treatment. Mr. Beha said the small risks involve

a much greater proportional cost than the large lines.

Mr. Gruhn questioned the need for any increase in compensation rates in Michigan at this time, presenting figures to show that this state's experience is considerably better than the national average. The mutuals would get an increase of only about 6 percent under their proposed filing, which has also been rejected. The stock companies seek a 16.9 percent increase.

The agents exhibited letters from 12 large employers, stating preference for the present service given by agents to the proposed 12½ percent rebate.

The position of the agents was elaborated in Mr. Smith's talk, which was later filed. He said that the agents should at least have been consulted before the companies attempted to rebate such a large part of their commissions.

It is the large and not the small assured who takes the time and expense of the agent, according to Mr. Smith.

A few years ago, he said, during the day of high payrolls, nothing was said about increasing the commission on ac-

count of a decrease in rates. Mr. Smith emphasized that there are other elements than commissions in acquisition cost. He said that while the total expense of the companies for compensation is 42.7 percent, the commission paid was only 14.3 percent. He suggested that, to reduce expenses, the companies use a common auditing and inspection service.

"We do feel," Mr. Smith said, "and if I am correct, the mutuals agree with us, that the same rate should be filed for mutual as for stock companies. They can pay back their surplus earnings to their assureds if and when earned."

HERDMAN IS SATISFIED

Commissioner Herdman of Nebraska, one of the first state bureau heads to notify companies that he would not approve the retroactive feature of the rate increase, now expresses satisfaction over the action taken to rescind the order. "This action is proper and just," he says. "This department has no authority over rates in the absence of a statute specifically empowering control or making of them, but we felt that the companies were beyond reason in seeking to alter contracts already in effect. As I understand it the order of rescission applies only to existing contracts, and so far as Nebraska is concerned there

can be no interference with any increase in rates on new contracts."

HORSWILL HEARS ARGUMENTS

Arguments were presented before Commissioner Horswill of South Dakota on his refusal to allow an increase in compensation rates. W. F. Roeber, general manager of the National Council on Compensation Insurance and R. C. Meade, of the National Bureau of Casualty & Surety Underwriters, asked that an eight percent increase be granted.

Don C. Lewis, former South Dakota commissioner, appeared for the mutual companies and opposed any increase of rates on the ground that for nine years the compensation showing of South Dakota has been profitable.

Commissioner Horswill announced he will announce his findings within a few days.

MINNESOTA DECISION SOON

ST. PAUL, Sept. 7.—A decision is expected about Sept. 15 on the proposal to increase compensation rates in Minnesota. A one day hearing on the proposals was held with representatives of stock and mutual companies and various employers present.

Stock companies proposed an increase of 21½ percent and non-stock companies seven percent.

One of the groups which opposed an increase was the state hospital association. Employing contractors made a general statement of their position and the Minnesota Employers association held a brief as did the Manufacturers Association of Minneapolis.

C. J. Haugh represented the National Bureau and A. V. Gruhn was spokesman for the non stock companies.

WISCONSIN TAKES ACTION

MADISON, WIS., Sept. 7.—The proposed graduated expense loading plan submitted by the National Bureau of Casualty & Surety Underwriters was one of the principal subjects for discussion before the Wisconsin Compensation Insurance Board at its September meeting.

It was the opinion of board members that the plan does not go far enough toward "correcting" the acquisition cost situation. The board agrees that the rate of acquisition cost should bear some proportionate relation to the size of the risk and to the final return in dollars and cents to the agent.

The board believes there should be at least five classes of risks; that instead of starting at \$1,000 the dividing line for reduction of commission and rate should be at about \$100 premium and that the resulting average commission produced by any plan should be between 12 and 15 percent.

The board has invited William Leslie, of the National Bureau of Casualty & Surety Underwriters to give consideration to a proposition for a graduated scale of commissions ranging from 17.5 percent upon premiums under \$100; down to 8 or 9 percent in the largest groups.

The board dissolved a tie vote on the resolution: "That the rate level be keyed to the indemnity loss ratio for policy year 1930, and to the expected medical loss ratio for the year 1933, to which shall be added an emergency loading over all of 2.5 points; the whole making for an increase in rate level of eight-tenths of one percent." Stock company members had voted in the negative on this resolution, and non-stock companies in the affirmative. The resolution is now adopted.

KENTUCKY HEARING SEPT. 30

FRANKFORT, KY., Sept. 7.—The Kentucky compensation board will hold an open hearing Sept. 30 on the proposed compensation rate program.

N. Y. TO HOLD HEARING

NEW YORK, Sept. 7.—A public hearing on compensation rates will be

**Increasing patronage and good
will reflect the confidence and
satisfaction of our Agents and
Policyholders.**

**BANKERS INDEMNITY
INSURANCE COMPANY**

NEWARK, NEW JERSEY

held here by Superintendent Van Schaick.

The compensation insurance rating board has recommended new ratings which, on an average, increase the existing rates 9.2 percent. Representatives of the National Bureau of Casualty & Surety Underwriters, on behalf of leading stock companies, are advocating an increase of approximately 20 percent with proposed discounts on large risks. Certain interests representing assureds are maintaining that no increase is in order. At the public hearing an opportunity will be given for the presentation of the views of all interested parties affected by the changes proposed.

Department Has Double Duty

It is the duty of the department to determine that sufficient revenue will be collected under the rates charged to provide safely for the statutory payments under the compensation law. At the same time, it is also the duty of the department to see that rates are kept on a reasonable basis. The experience of companies writing compensation insurance the past few years has been very unfavorable. Rate increases were permitted by the department in 1930 and 1931. It is requested that all aspects of the problem be presented at the hearing for the consideration of the department. Those unable to attend the hearing are asked to file letters or memoranda setting forth their comment on the proposals.

HEARING IS POSTPONED

In order to give employers of North Carolina additional time in which to consider the proposed new compensation rates for the state, the public hearing set for Sept. 7 at Raleigh was postponed to a later but as yet undetermined date, the assumption being that it will take place about Sept. 15.

Complete Program for the Big Meeting

(CONTINUED FROM PAGE 3)

Greetings from the Philadelphia Insurance Agents Association, H. W. Foster, Henry W. Brown & Co.

Response, C. L. Gandy, chairman, national executive committee.

Guest speaker, John J. Cornwell, general counsel, Baltimore & Ohio Railroad, ex-governor of West Virginia, "The American Railroads and Their Future."

Introduction of distinguished guests and national leaders.

First Convention Session

Wednesday, Sept. 21, 9:30 a. m.

Call to order by the president. Singing, "America."

Invocation, Rev. Dr. J. F. Newton, St. James Episcopal Church, Philadelphia.

President's annual address and report of the administration, W. B. Calhoun.

The Convention Theme: "Admitted Assets," W. H. Bennett, secretary, National Association of Insurance Agents.

Address, "Cooperation," Paul L. Haid, New York, president Insurance Executives Association.

Discussion, "The Agents Part in Cooperation," H. B. Nelson, Jersey City, president New Jersey Association of Underwriters.

Report of committee on automatic cancellation, James L. Case, Norwich, Conn., past chairman.

12:30 p. m.—Luncheon given to attendees by the Insurance Company of North America at its home office building, 1600 Arch street.

Second Convention Session

Wednesday, 2 p. m.

Report of meeting of national council, W. B. Calhoun.

Report of meeting of state officers, C. L. Gandy.

Discussion, "Production Branch Offices," K. H. Bair, Greensburg, president Pennsylvania Association of Insurance Agents.

Address, C. D. Livingston of Michigan, president National Convention of Insurance Commissioners.

Report of committees on conference, P. H. Goodwin, past president National

Association of Insurance Agents, San Diego, Cal., chairman.

Report on compensation conferences, G. W. Carter, Detroit, chairman sub-committee.

Report on farm conference, F. T. Priest, Wichita, Kan.

Discussion, "Farm Insurance," Sam T. Morrison, Iowa City.

Thursday Morning, Sept. 22

Local Board Breakfast Conferences.

Prior to the opening of the convention session, three breakfast conferences on local board organization and development will be held, convening at 8 a. m. and closing at 9:30.

Group 1—Agents residing in cities and towns up to 50,000 population, Matt G. Smith, Baton Rouge, La., member national executive committee, chairman.

Group 2—Agents residing in cities from 50,000 to 250,000 population, F. T. Priest, Wichita, Kan., chairman.

Group 3—Agents residing in cities over 250,000 population, C. O. Ransom, Cleveland, chairman.

Third Convention Session 10 a. m.

Report of membership committee, E. M. Sparlin, Rochester, N. Y.

Report of local board committee, F. T. Priest, Wichita, Kan.

Report of contractual relations committee, G. W. Carter, Detroit.

Greetings from the American Association of Insurance General Agents, L. E. English, Richmond, Va., chairman executive committee.

Address, "Standards of Valuation," G. S. Van Schaick, superintendent of insurance, New York.

Highway Accident Symposium:

"The Agent and the Traffic Safety Problem," A. W. Whitney, associate general manager, National Bureau of Casualty & Surety Underwriters.

"Insurance Agents vs. Highway Accidents," B. G. Eynon, commissioner of motor vehicles of Pennsylvania.

"What Accident Prevention Work Has Done for My Business," J. Dillard Hall, Des Moines, manager Iowa and Nebraska, United States Fidelity & Guaranty.

"Conservation—The By-Product of Insurance," John J. Hall, director street and highway safety division, National Bureau of Casualty & Surety Underwriters.

Discussion led by James L. Case, Norwich, Conn.

Group Luncheon Conferences, 1 p. m.

Luncheon and round table discussion on agency operations and management.

Group 1—For agents producing up to \$100,000 in annual premiums, J. W. Barr, Oil City, Pa., chairman.

Group 2—For agents producing from \$100,000 to \$300,000 in annual premiums, F. J. Lewis, Milwaukee, chairman.

Group 3—For agents producing over \$300,000 in annual premiums, Allan I. Wolff, Chicago, chairman.

Thursday Evening

Past presidents dinner.
Meeting committee on resolutions.

Meeting committee on nominations.
National association ball.

Fourth Convention Session

Sept. 23, 9:30 a. m.

Report on local board breakfast conferences by the chairmen.

Report on group luncheon conferences by the chairmen.

Discussion, "Cooperative Advertising and Publicity," Albert Dodge, Buffalo, national councillor for New York.

Discussions postponed or unfinished.

Report of committee on resolutions.

Report of committee on nominations.

Election of officers.

Presentation of awards:

(a) President's Membership Cup, to the state association making the largest percentage increase for the year.

(b) Des Moines Attendance Cup, to the state association having the largest number of members registered at the convention.

(c) Detroit Association Cup, to the state association showing the greatest combined mileage of members attending the convention.

(d) Woodworth Memorial, to the member who has rendered the most signal service for the American agency system during the year (officers and members of the executive committee excepted).

Do you thoroughly understand fire insurance rating? Write The National Underwriter about the Penn Schedule course.

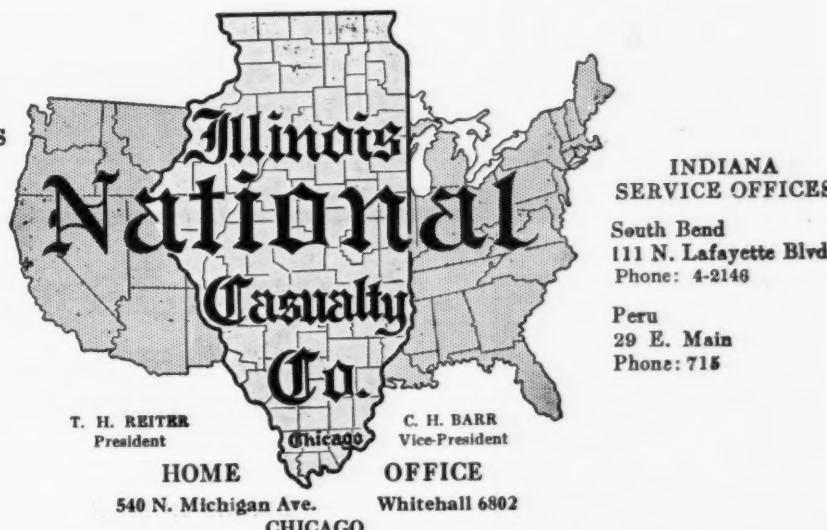
Special Rate Consideration for Farmers A "Scoop" for Illinois National Casualty Agents

SEVERAL years of careful underwriting automobile insurance exclusively indicates that farmers drive their automobiles fewer miles, less hours, at lower rates of speed and with infrequent accidents.

These facts are proven and the Management feels that a rate consideration is in order. We are not cheapening our service or providing less coverage but issuing our regular standard policy at a special rate to a preferred class of automobile owners.

This is one of the many reasons why Illinois National Casualty agents in Illinois and Indiana are increasing their volume. To be able to offer a reliable Stock Company policy to farmers at rates based upon the experience of that group is a sales fact well worth your consideration.

If you are interested in securing the insurance on more farmers' automobiles you will write to our nearest office today.



SPECIALISTS IN AUTOMOBILE INSURANCE

ACCIDENT AND HEALTH FIELD

Wants Agents Brought Back

Kansas Commissioner Asks Governor to Issue Requisitions for American Benefit Casualty Men

TOPEKA, KAN., Sept. 7.—Commissioner Hobbs is urging Governor Woodring to issue a requisition on the governors of Missouri and Illinois for the

return to Kansas of agents for the American Benefit Casualty of Springfield, Ill. State warrants have been issued in Wyandotte county for the arrest of H. W. Greb and several others who are said to be agents of this company, charging them with illegally soliciting insurance without a license. The company is not licensed in Kansas.

It has been the policy of most of the states for many years not to attempt to

extradite persons to answer misdemeanor charges. Selling insurance without a license is only a misdemeanor. The company may be fined but cannot be sent to prison.

In a letter to the governor urging the return of Greb and others to Kansas, Mr. Hobbs said:

"This department believes that citizens of Kansas should be properly protected against so-called bootleg insurance. The amount involved in the individual case is usually small but runs into large sums due to the number of policies which apparently have been illegally issued in this state. Because of the fact that this company is not

under our jurisdiction, this department is unable to discipline the agent without the aid and cooperation of the county attorneys.

"We are of the opinion that if anything can be done to put a stop to this illegal solicitation and sale of insurance in this state, such should be done. It may be that this is a chance for the state of Kansas to set an example which will result in curbing the sale of unauthorized insurance, which, if done, will undoubtedly be beneficial to citizens of Kansas in the future."

Chicago Club Resumes Activities

The Accident & Health Managers Club of Chicago will hold its first meeting of the fall season at noon, Sept. 12, at the Midland Club. Among the important topics to come up for discussion at this meeting are the proposed amendment to the constitution changing the name of the club to the "Accident & Health Insurance Club of Chicago" and plans for the proposed accident and health sales congress. There will also be discussions of plans for a membership drive and a possible reduction in dues.

Special Pullmans for Claim Men

Several special Pullmans carrying delegates from Chicago and points west of that city to the meeting of the International Claim Association will leave Chicago for White Sulphur Springs Sept. 10. T. W. Hislop of the Great Northern Life, Chicago, is in charge of arrangements for this special party.

Thomas in New Connection

W. L. Thomas, veteran general agent at Los Angeles for the monthly premium accident and health division of the Pacific Mutual, has been appointed agency director for the Massachusetts Bonding for the field south of San Francisco to the Mexican border and will handle commercial as well as industrial business. He has been with the Pacific Mutual 25 years, 12 years in the home office and the past 13 years as general agent of the monthly premium division.

Resigns as Accident Manager of Zurich



L. D. EDSON

L. D. Edson, immediate past president of the National Association of Accident & Health Managers, has resigned as manager of the accident and health department of Zurich at the United States head office in Chicago. Mr. Edson joined the Zurich in 1925 as accident and health superintendent. Before that for seven years he was manager of the accident and health department of the Employers Indemnity of Kansas City, now the Employers Reinsurance.

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PLAN NOW FOR 1933

Here's another "friendly service" that is available to all Central Agents.

It has been our experience that calendars, year books and other similar forms of remembrance advertising are particularly well fitted to the publicity needs of the average Agency. Meeting a definite demand, they are actually used, and they carry their selling message through an entire year.

Through quantity buying, this Company annually secures the best of such items at bed-rock wholesale prices—a substantial saving which it passes on to its Agents. If you are a Central Agent, you may start planning now for your 1933 advertising calendars, year books, etc., assured of minimum prices, maximum quality. Let us tell you about our attractive selections for next year.



CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY

DENNIS HUDSON, President

MISSOURI



CHANGES IN CASUALTY FIELD

Globe Indemnity Promotions

Vice-President T. J. Grahame Makes Announcements Concerning Its New York Metropolitan Office

Vice-President T. J. Grahame of the Globe Indemnity has announced the following changes and promotions in the staff at its main New York office:

W. J. Thompson, who since 1930 has been manager of the development department, has been promoted to manager of the casualty department. He will have the cooperation of A. L. Peirson, Jr., and A. F. Connolly as assistant managers, and W. T. Fitzgerald as manager of the development department. Mr. Thompson has been associated with the Globe since 1916 in a succession of responsible positions. He will continue to supervise the Globe's uptown and Brooklyn offices.

A. L. Peirson, Jr., promoted from superintendence of casualty lines to assistant manager of the casualty department, has been closely associated with Mr. Thompson for the past three years. Prior to his association with the Globe, Mr. Peirson was connected with the New York office of the Massachusetts Bonding.

A. F. Connolly, who, as assistant manager of the casualty department, will also be closely associated with Mr. Thompson, is a new addition to the Globe's New York office staff. He joined the statistical department of the Globe's home office in 1921, became an assistant to Superintendent George Howie of the liability department, and subsequently accepted a home office position with the Fidelity & Casualty as superintendent of the compensation department, which position he resigned to rejoin the Globe.

W. T. Fitzgerald, who becomes manager of the development department, has for some time been a co-worker with Mr. Thompson as assistant manager of the development department. Prior to his Globe connection, Mr. Fitzgerald was successively associated with the John A. Kelly general agency, with the Gauvin Agency, with Darby, Hooper & McDaniel as manager of their casualty department, and in a corresponding capacity with Fred S. James & Co., Globe Indemnity agents. His connection with the Globe's New York office dates from May, 1932, at which time Fred S. James & Co. retired from the agency business in New York City.

W. T. Sweet Joins Western Casualty in Claim Work

William T. Sweet, formerly vice-president of the General Indemnity of Rochester, N. Y., has joined the Western Casualty & Surety of Fort Scott, Kans., as superintendent of the claim department in the Kansas City office. He has had many years' experience in handling casualty and automobile claims, starting with the Globe Indemnity in New York City. He later joined the Norwich Union and then the Phoenix Indemnity. Subsequently he moved to Detroit to become vice-president of the General Casualty & Surety of that city, which was later consolidated with the General Indemnity.

Whelan in Philadelphia

Charles H. Whelan, who was manager of the Cook county service office of the Alliance Casualty until that office was consolidated with the western executive office of the Indemnity of North America, is now in Philadelphia in an executive capacity with the Alliance Casualty in its Philadelphia branch.

Managers Being Transferred

Commercial and Metropolitan Casualty Make Changes in New York, Brooklyn, Newark and Trenton

A number of important changes in branch offices of the Commercial Casualty and Metropolitan Casualty in Newark, New York and Brooklyn became effective Sept. 1.

R. W. Riley, who has been dividing his time between Newark and Trenton, has been relieved of his responsibility for the Newark office and returned to Trenton, where he will look after the interests of both companies.

W. R. Griffin, who has been resident manager of both companies in Brooklyn, is now in charge of both branch offices in Newark.

C. J. Stephan, New York City branch office manager of the Metropolitan Casualty, has been transferred to Brooklyn as manager for both companies.

Frank W. Franzen, resident vice-

president in charge of the New York City office of the Commercial Casualty, is now in charge for both companies there. Mr. Franzen was for many years Newark manager of the Commercial Casualty but was transferred to New York City several years ago.

Bowen Is Retired After 36 Years in Service of F. & D.

Lincoln Bowen is being retired after serving 36 years for the Fidelity & Deposit in Chicago as claim adjuster. He is 72 years of age. The Chicago office, headed by Manager W. H. Hansmann, honored Mr. Bowen on his retirement with a dinner at the Illinois Athletic Club.

Mr. Bowen is being succeeded at Chicago by John L. Sullivan, who has been with the Fidelity & Deposit in Minneapolis for ten years and had been head claim adjuster there.

Floyd West Promotes Kent

The Floyd West General Agency at Dallas has appointed C. V. Kent manager of the casualty department. Mr. Kent has been with the agency for four

years. He was assigned to the casualty department three years ago.

Tearns Goes to Denver

BALTIMORE, Sept. 7.—Thomas P. Tearns, formerly special agent at Detroit for the United States Fidelity & Guaranty, has been transferred to Denver in the same capacity. Mr. Tearns who is a native of Baltimore, was made a special agent and sent to Detroit from the home office about four years ago.

Get Maryland at Spokane

J. L. Cooper & Co. of Spokane have been appointed general agents for the Maryland Casualty in eastern Washington and northern Idaho. J. L. Cooper, head of the new agency, which succeeds the Spokane Midland Company, was formerly president of the Midland Savings Bank. C. A. Imhoff, former manager of the Spokane Midland's insurance department, and L. C. Gallagher, formerly with the same bank, are associated with Mr. Cooper.

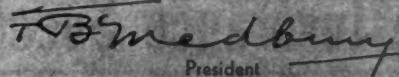
W. J. Hartman Advanced

W. J. Hartman, special agent in Seattle for the Indemnity of North America and recently of Portland, Ore., has



"DURING the thirty-five years in which we have represented the Fidelity and Deposit Company, we have received the finest co-operation and assistance through their various departments. The Company's growth has been something to be proud of, and their loss adjustments prompt and satisfactory.

"The fact that we have represented the F&D for so many years is perhaps our best reason for continuing to do so, and best expresses our faith in its continued stability."


President
THE MEDBURY-WILSON COMPANY
Youngstown, Ohio

FIDELITY AND DEPOSIT COMPANY
OF MARYLAND • BALTIMORE

FIDELITY AND
SURETY BONDS

BURGLARY AND
PLATE GLASS

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full coverage automobile insurance

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worthwhile commissions
Home Office supervision
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For Available Territory Write
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CENTRAL STATES MOTORISTS INSURANCE COMPANY

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AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
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COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION



Income Insurance Specialists

Opportunities for Salesmen in Forty-Eight States

North American Accident Insurance Co.

209 South La Salle Street, CHICAGO

been transferred to San Francisco as superintendent of agents.

Radcliffe Opens Office

G. H. Radcliffe, who resigned recently as superintendent of the casualty department of the American Surety in Chicago, has opened a brokerage office under his own name at 29 South LaSalle street, Chicago.

Schmidt Leaves Standard

John F. Schmidt has resigned as special agent for the Standard Accident in northern Illinois and is going with the Massachusetts Bonding in Illinois in a similar capacity.

Canelli Named Toledo Manager

John Canelli, Jr., has been appointed manager at Toledo, O., for the Lexington Surety & Indemnity. He will specialize in bail bonds.

PERSONALS

H. W. Maginnis, vice-president and general manager of the Progressive Assurance of Minneapolis, recently won the diamond badge emblematical of the state championship in trap shooting with a perfect score of 50. He had 26 singles and 12 pairs of doubles. He was also state champion in 1926.

President H. A. Behrens of the Continental Casualty, who has been spending the last few weeks at his summer home on Belvedere Island in San Francisco Bay, is back at his desk in Chicago looking refreshed because of the outdoor life he has been leading.

Edwin A. Jones of New York City, president of the International Association of Insurance Counsel, which is holding its annual meeting at White Sulphur Springs, W. Va., this week, is one of the foremost insurance attorneys. His office is at 120 Broadway, New York City. During his administration as president the association has attained a membership in excess of 1,200, consisting of attorneys and general counsel of casualty, accident and health companies.

Mr. Jones, prior to entering private practice in New York City, was for many years a member of the firm of Nadal, Jones & Mowton, general counsel of the Fidelity & Casualty.

O. E. Capen, 80, for the past 20 years manager in Kansas City, Kan., for the Massachusetts Bonding, died last week. He had continued his work until the first of the week, at which time he became ill.

J. K. Miller, president and general manager of the United Automobile of Grand Rapids, Mich., died last week after an illness of five months. He assisted in organizing the company in 1919, serving as vice-president and general manager for a number of years.

George W. Sill, 89, for 30 years general counsel for the Preferred Accident, died at his home in East Orange, N. J., last week. In 1890 he was made an attorney of the Standard Accident and several years later joined the Preferred Accident.

George L. Radcliffe, first vice-president of the Fidelity & Deposit Company and a personal friend of Franklin D. Roosevelt, Democratic Presidential nominee, has been named director of the campaign in Maryland. Although Mr. Radcliffe has not taken a conspicuous

Roosevelt Aide



GEORGE L. RADCLIFFE

part in either local or national politics, he has been for several years a close personal and business friend of the Democratic candidate for President. He served as chairman of the committee which arranged for Governor Ritchie's fourth inauguration in 1931.

Charles F. Harroll, Harroll & Haendel Insurance Service, Dayton, southern Ohio managers for the Inter-Ocean Casualty, has recovered sufficiently from a five weeks' illness to be removed from the hospital to his home. Mr. Harroll's illness began with an attack of pneumonia which placed him in the hospital five weeks ago.

Announcement is made of the forthcoming marriage of Keith Hutchings, field supervisor at Seattle for the Great American Indemnity, to Miss Blanche Hamilton.

Newspaper publicity this week was given to the fact that Miss Olga Cecilia Potter was married two years ago to Commander Winfield Liggett, Jr., the well known bridge playing expert. Miss Potter is the daughter of President Wilfred C. Potter of the Preferred Accident.

The golden wedding anniversary of C. P. Orr, president Southern Life & Health, and Mrs. Orr was recently celebrated in Birmingham. As a young man Mr. Orr came from Canada to Alabama in 1880 and two years later was married to Miss Lillian Milner. Except for a short residence in Ohio and Florida they have lived ever since in Birmingham.

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Fire Insurance and Allied Lines Course

A Simple, Brief Sales Course for Fire Insurance Agents

You Receive These 21 Lessons

1. The opportunity and need for selling property insurance.
2. Position and duties of the insurance salesman.
3. Basis of fire insurance.
4. What the agent and insured should know about the standard fire insurance policy.
5. Fitting the fire policy form to the individual risk.
6. Obligations of the insured under the policy contract.
7. Loss adjustments.
8. Rating schedules and fire prevention.
9. Competition with other kinds of insurance companies.
10. Loss due to interruption of business (use and occupancy).
11. Rents, leasehold and profits insurance.
12. Special forms for big risks.
13. Windstorm insurance.
14. Automobile insurance.
15. Earthquake, rain, flood and hail insurance.
16. Marine insurance.
17. Sprinkler leakage, explosion, other allied lines.
18. Organizing the Salesman's work.
19. Charting your prospect's insurance needs.
20. Finding prospects.
21. Principles of insurance salesmanship.

«»

A Compact Business Guide

This Sales Training Course furnishes for the first time, a complete view in one practical treatise of the fundamentals which an agent must know to get and hold business. Written and conducted by a local agent who is now operating a successful agency. Ideal for the man entering the business and for the man of experience who wants to check his knowledge and efficiency.

«»

Answers to These and Many Other Questions

Can insurable value ever exceed original cost?

Should amount of insurance on machinery, furniture and fixtures be based on book value?

Would you cover boilers and engines under building or the contents?

Can building improvements made by a tenant be covered under his insurance?

How would you adjust partial loss on an oriental rug?

What hazards of occupancy can often be eliminated?

What is the "bridging the gap" clause?

If the undamaged part of the contents of a burned building is removed to another place, is it still covered by insurance?

Is expense of boarding up broken windows usually paid for as a direct fire loss?

What is the least amount of property an insured must own in order to have a blanket form?

What is the difference between a blanket form and a general cover contract?

THEY LIKE IT

Your Course in Property Insurance is very interesting and instructive and I enjoyed it very much.

BERNARD KELLY, Pueblo, Colo.

In looking over the first four lessons I realized how much there was in them benefiting the agent and I am satisfied I shall receive a great deal of good from them.

C. B. WHITESIDE, Elkins, W. Va.

We find the text books just suited to our purposes and are well pleased with them and up to the present time have received parts one to ten inclusive.

W.M. F. KRAMER, Dayton, Ohio.

Assuring you that I am getting my money's worth out of this course, and hoping I am not too late in presenting my answers for correction, I am,

CHARLES F. CARLISLE, Salt Lake City, Utah.

I trust I have succeeded in fully catching the intent of the lesson, and feel sure I have profited by it.

M. F. WILCOX, Seattle, Washington.

USE THIS ORDER FORM TODAY

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THE NATIONAL UNDERWRITER COMPANY,
420 E. Fourth St., Cincinnati, Ohio.

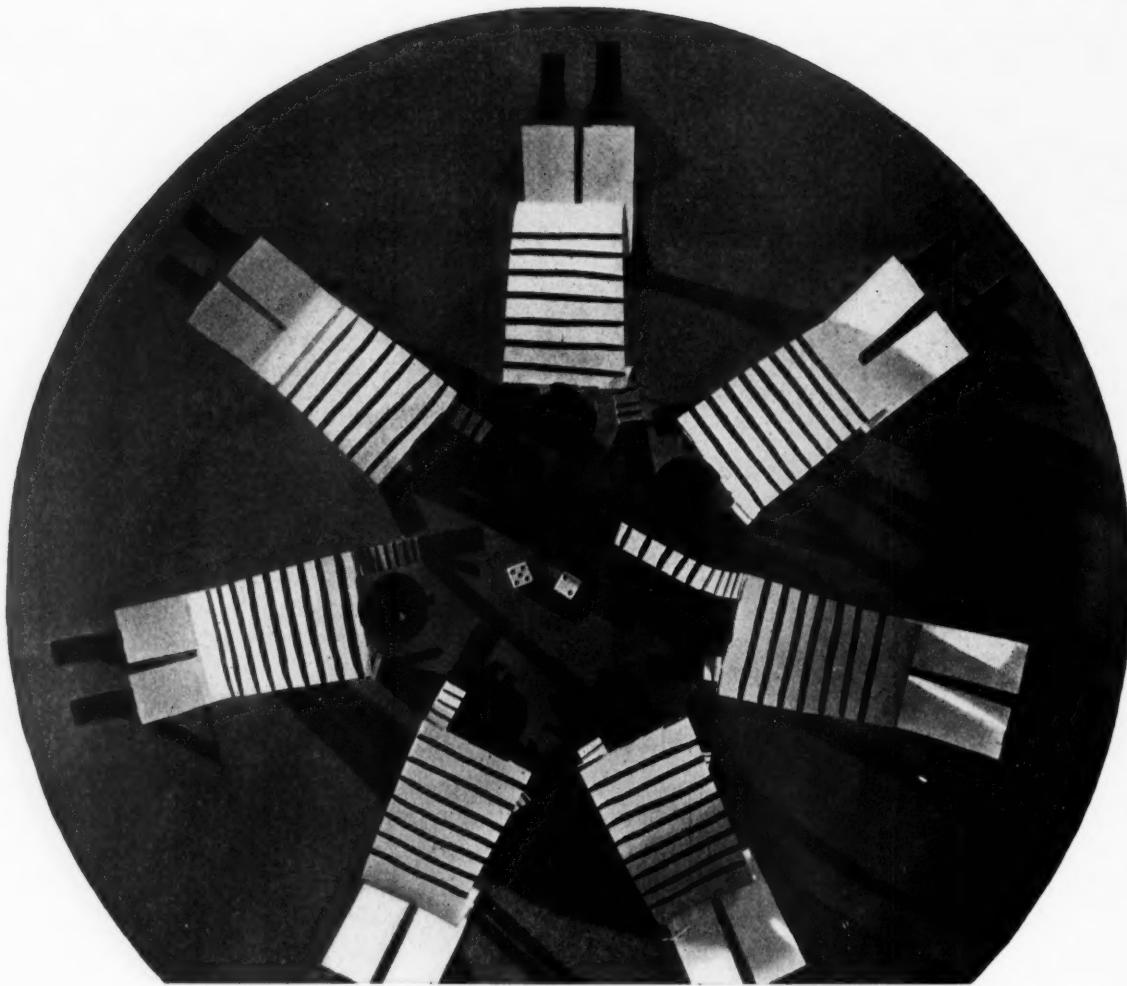
Gentlemen—Put me down for the Property Course. Here is \$5.00. I will pay \$5.00 a month for the next three months. I am to be furnished the complete Series of lessons and quiz for each lesson; and my written answers are to be carefully gone over by you, corrected and definite suggestions are to be given me for the improvement of myself in my selling of Insurance.

Name _____

Title (Special, General Agent, Local Agent, etc.) _____

Street Address _____

City and State _____



SOMEBODY'S BOUND TO LOSE

Some gamblers are tempted to send good money after bad. At times their stake is "borrowed" from their employer, without his knowledge or consent. It is a well-known fact that the majority of losses, covered under a fidelity bond, are due to gambling in one form or another. . . . The contractor who gets a contract may lose his shirt, because he gambled on "getting the breaks". If the breaks break him, a surety bond comes in mighty handy for the person who awarded the contract. . . . In the battle for bonding premiums, somebody's bound to lose. The agent or broker who knows the most has the best chance of getting the business. You can't afford to pass up any opportunity to continue your education, bonding-wise. . . .

Get The Employers' Pioneer. The men on the firing line tell what they use for ammunition to bump off those nice bonding premiums. Actual claim cases, the best arguments in the world for fidelity and surety bonds; articles from Home Office Underwriters; and interesting illustrations are found in the current issue. . . . If you're interested in fidelity and surety bonds, get The Employers' Pioneer. It's a "natural". Write the Publicity Department, 110 Milk Street, Boston, Massachusetts. . . . No obligation on your part.

THE EMPLOYERS' GROUP



The Employers' Liability Assurance Corporation, Ltd. The Employers' Fire Insurance Company American Employers' Insurance Company, 110 Milk Street, Boston, Mass.